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# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Growing signs of indebted times, Page 20

## World news

### Pretoria abandons Maputo mediation

The South African Government has ceased trying to arrange a peace agreement between the Frelimo Government in Maputo and the rebel Mozambique National Resistance (MNR) and is seeking ways of co-operating with the Frelimo Government to eliminate the MNR threat.

The shift in policy was revealed by Mr Louis Nel, Deputy Minister of Foreign Affairs.

It follows a series of bilateral meetings between the two governments after which both sides reaffirmed their commitment to the March 1984 Nkomati accord, which ended covert South African support for the MNR rebels. Page 20

#### Deputy named

Hungary's Communist Party became the first in East Europe to name a deputy party leader; he is Karoly Nemeth. Janos Kadar, the leader, is 74. Page 3

#### President resigns

President Devan Nair of Singapore resigned after admitting that he was an alcoholic and could no longer perform the functions of head of state. Page 4

#### Iraq raids

Iraqi air raids on Tehran and Iranian border towns left 34 people dead and more than 250 wounded, according to Iranian reports. Page 4

#### Colombia air crash

A Fokker F-28 aircraft of the Colombian state airline Satena hit a hill in south Colombia. All 40 passengers were killed.

#### Reagan boast

President Ronald Reagan urged America's trading partners to adopt his own free enterprise, market-oriented policies so that they could catch up with a booming U.S. economy that was racing ahead of them. Page 6

#### Cyprus crisis

The Cyprus Communist party, Akel, the island's largest political group, introduced a motion in parliament calling on President Kyprianou to hold presidential elections within 45 days if he refuses to abide by the will of the parliamentary majority over the issue of a federal Cyprus.

#### Spanish police row

Spain's Socialist Government ordered the closure of a police academy and dismissed another army officer in the national police force in a row over the demilitarisation of the force.

#### Nigerian sentence

Abba Musa Rimi, former governor of the Nigerian state of Kaduna, was jailed for 21 years for corruption involving 500,000 naira ($430,000).

#### '400 killed in blast'

A Pakistan-based Afghan guerrilla group claimed that more than 400 Soviet and Afghan troops were killed when a rebel-planted time-bomb blew up lorries carrying explosives in northern Afghanistan.

#### Kidnap claim

A group calling itself the "Revolutionary Organisation of Socialist Moslems" said it was holding kidnapped British journalist Alec Collett, a United Nations employee in Beirut. Page 4

#### Wibau chief jailed

Roland Spicka, former chief executive of the now bankrupt Wibau construction equipment company, was jailed for six years and nine months by a court in Hanau, West Germany, for accounting malpractice, credit fraud and three cases of breach of trust.

## Business summary

### KHD to buy unit from Allis Chalmers

ALLIS-CHALMERS has reached a preliminary agreement to sell for $100m in cash its agricultural equipment business, including its credit corporation, to a subsidiary of Klöckner-Humboldt-Deutz of West Germany.

U.S. AIR FORCE has asked General Electric and Pratt and Whitney to refund a total of $208m because of excess profits on aircraft engine spare parts sales.

WALL STREET: The Dow Jones industrial average closed down 4.2 at 1,260.71. Section III

DOLLAR was on the whole firmer in London, rising to DM 3.1295 (DM 3.125), FFr 9.5475 (FFr 9.545) and Y253.0 (Y251.85), but eased slightly to SwFr 2.6475 (SwFr 2.6485). On Bank of England figures the dollar's index fell to 146.9 from 147.3. In New York it was DM 3.1215, FFr 9.5275, SwFr 2.6425 and Y253.17. Page 43

STERLING fell 1.1 cents against the dollar in London to close at $1.228. It also fell to DM 3.8425 (DM 3.875), SwFr 3.25 (SwFr 3.27), FFr 11.7275 (FFr 11.84) and Y310.5 (Y312.5). The pound's exchange rate index fell to 77.5 from 77.6. In New York it was $1.2280. Page 43

GOLD fell $4.75 an ounce on the London bullion market to finish at $327.00. It was also lower in Zurich at $326.45. In New York the April Comex settlement was $326.8. Page 42

PARIS shares moved to new peaks after early weakness. The CAC General index firmed 0.6 to 211.0. Most other European bourses were weaker. Section III

TOKYO stocks continued to advance. The Nikkei Dow market average reached another record with a 53.20 increase to 12,604.02. Section III

LONDON shares traded slowly and price movements were marginal. The FT Ordinary share index closed down 1.2 at 978.1. Gilts eased from higher mid-session levels. Section III

U.S. MONEY SUPPLY: M1 fell $500m in the week ended March 18.

JAPAN'S Ministry of International Trade and Industry said that it would limit Japanese car exports to the U.S. to 2.3m vehicles in the year beginning April 1. The Japanese motor industry greeted the decision with dismay. Page 8

SPAIN has discarded for the present its aim to become a member of the European Monetary System after it joins the EEC. Page 2

EUROPEAN Banking Group, UK and Belgium-owned, reported a 30 per cent fall in after-tax profits to $11.5m last year, mainly due to big provisions against possible losses. Page 22.

COMMERZBANK, the West German commercial bank, is maintaining its dividend at DM 6 per share for the second year. Page 22

BALTICA, Danish insurance company, is planning to diversify into other financial sectors after a halving of earnings because of reinsurance losses stemming from asbestos industry claims. Page 22

P&O, the UK shipping group, lifted pre-tax profits to £69.63m ($84.9m) last year from £56.66m. Lex, Page 20, Details, Page 24

LUCAS INDUSTRIES, the UK car components and aerospace group, raised pre-tax profits to £15.3m ($18.6m) from £3.5m in the half-year to January 31. Details, Page 26

LINDE, West German engineering and industrial gases concern, raised group pre-tax profits by 18 per cent last year to DM 148.3m ($47.5m). Page 22

IBM is to produce a range of fault-tolerant computers which are guaranteed not to fail even when parts of the system break down. Page 21

# EEC close to deal on entry terms for Spain and Portugal

BY QUENTIN PEEL IN BRUSSELS

EEC MEMBERSHIP terms for Spain and Portugal on all the most difficult outstanding issues should be ready for endorsement by the Community heads of government when they meet in Brussels today.

Foreign ministers of the EEC, Spain and Portugal were making good progress last night on finalising the details remaining on agriculture, fisheries and the financial package to underpin the enlargement of the Community. Portugal, in particular, was holding out for a better money deal to promote its economic development.

Agreement on the terms would open the way for the Community leaders to embark today on a broad-ranging debate on the future of the EEC, including measures to boost the development of high-technology industry, to tackle unemployment, and to streamline the EEC, in a move towards greater monetary and political union.

The heads of government, however, have first to tackle the problem of Greek opposition to the final acceptance of the membership terms of Spain and Portugal. Mr Andreas Papandreou, the Greek Prime Minister, has insisted on prior agreement of an aid plan for depressed Mediterranean regions.

The Greek reservation, formally placed on the enlargement negotiations at the last EEC summit in Dublin, is the most serious problem remaining in the path of Spanish and Portuguese membership. A wide gap separates members on the amount of money available for the Mediterranean programmes, however.

Only a handful of issues were still outstanding in last night's enlargement negotiations, with broad agreement among the Ten on the terms they would offer Spain, such as the number of Spanish trawlers allowed to fish in EEC waters at any one time during the early years of membership.

The financial contributions of the new members, and the extent of their reimbursement during the first seven years, however, was still at issue.

Spain has been offered a repayment of some 85 per cent of its VAT-based contributions in the first year of membership, or rather more than Ecu 1bn ($712m) progressively dwindling over six years to keep the net effect of membership neutral.

M Jacques Delors, President of the European Commission, yesterday proposed a similar deal for Portugal, which would total between Ecu 1.2bn and Ecu 1.3bn over the full period, in order to ensure that the country would be a clear net beneficiary.

M Delors yesterday expressed his own optimism that the heads of government would be able to devote their meeting to longer-range issues rather than the fine detail of enlargement.

He called for their debate to concentrate on how Europe could maintain its international competitivity and promote research and development in high technology. He threw in the startling suggestion, which received short shrift from national officials, that the Community might become involved in the U.S. star wars research programme.

He admitted, however, that differences over the amount of cash available for the Mediterranean programmes could still upset the summit.

M Delors warned that if Mr Papandreou held out for more money than the other members were prepared to offer, the Commission would withdraw its compromise proposal. Any new deal would almost certainly be worse for the areas supposed to benefit.

The heads of government are also set to discuss the economic and social situation in the Community

EEC leaders chart the future, Page 2

# Sterling steady as two banks cut rates to 13%

By Max Wilkinson in London

TWO OF Britain's leading banks cut their base lending rates by ½ a percentage point to 13 per cent yesterday after sterling opened the day strongly on the foreign exchanges.

The Bank of England endorsed the move by cutting ½ a percentage point off its own dealing rates, but it did so with a show of reluctance, which left the money markets in some confusion about the trend of rates.

The move was led by the National Westminster Bank, with Lloyds following close behind, although the Bank of England had previously refused to deal in the money markets at lowered rates. After the base rate cut, however, the authorities relented.

Barclays Bank, which appears to have been taken by surprise, left its base rate unchanged at 13½ per cent yesterday and said it would be watching closely to see whether market interest rates warranted a cut today. The Midland Bank was also deferring a decision.

Despite the base-rate cut, money-market rates remained relatively firm, with the three-month inter-bank rate closing at 13$\frac{7}{16}$ per cent, only $\frac{1}{16}$ per cent below Wednesday's closing rate. Prices of government stocks moved nervously, with some gains of about ¼ point by the end of the day.

In the foreign exchange markets reactions were mixed, with the pound weakening at midday in London; partly in reaction to the base-rate cut and partly because of an apparent firming of the dollar after its recent declines.

Sterling's index against a basket of currencies dropped from an opening value of 78 (1975 = 100) in London before recovering to 77.5, little changed from its closing level on Wednesday.

The dollar's fortunes were also variable, with early falls being reversed at midday in nervous trading with wide spreads. The rise, partly prompted by a rise in the U.S. Federal Funds overnight inter-bank rate, petered out, however, and by the close of London business the dollar was quoted at DM 3.1295, just 45 points up on the day.

Nevertheless, the pound finished in London 1.1 cents lower against the dollar at $1.2280.

The stance of the authorities on UK interest rates remained extremely cautious, and there was no indication yesterday of any desire

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News analysis, Page 14; Editorial comment, Page 18; Money markets, Page 43

# Reagan wins approval for MX missiles

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan yesterday clinched a major victory for his strategic arms build-up as the Democrat-controlled House of Representatives voted 217 to 210 to continue his controversial MX intercontinental missile programme.

The vote, the last of four crucial congressional tests for the MX, released $1.5bn from this year's budget to build another 21 missiles, in addition to the 21 already approved.

The bitterly contested House action capped the most intensive lobbying effort of Mr Reagan's presidency. He had spent most of the past two weeks passionately arguing that a defeat for the missile would endanger the entire future of the Geneva arms talks – an argument that finally proved decisive with waverers of both parties on Capitol Hill.

Mr Reagan's triumph showed that he had lost none of his old magic in bending a hesitant Congress to his will, defying forecasts that he would rapidly turn into a "lame duck" president in his second term in the White House.

While yesterday's vote marked the first major victory of his second term on his arms build-up, it was the second time in three weeks that he had acted decisively to overwhelm congressional opposition to his policies. Earlier this month, he successfully vetoed an emergency farm finance Bill that had been passed by both houses.

Members of both parties, however, warned that Mr Reagan would face an even more difficult challenge when the time came to vote on his fiscal 1986 budget request for 48 more MX missiles. There are already signs of a move in Congress to stop the programme well short of the total of 100 missiles that Mr Reagan is seeking, possibly at 40 or 50.

House Democrats said that yesterday's voting margin was extremely narrow, given the massive resources that Mr Reagan had devoted to his high-pressure lobbying campaign. It could not be taken as a sign that Congress would continue blindly to support his strategic build-up, they said.

Yesterday's vote took funds so far approved for the missile well past half the $22bn that the Administration originally sought for the full programme. The missile's opponents, however, argue that the total cost will be substantially higher, perhaps over $40bn.

The $1.5bn approved yesterday comes from the budget for fiscal 1985, which ends on September 30. Opponents of the missile succeeded in blocking the funds last autumn, confident that it could be defeated in one of the four votes – two in each house – that were concluded yesterday.

# Xerox may sell Olivetti computers in U.S.

BY ALAN FRIEDMAN IN BERLIN

OLIVETTI, the leading European-owned data processing equipment maker, is in talks with Xerox Corporation of the U.S. that are expected to lead to a new international accord under which Xerox will sell Olivetti-made personal computers on the American market.

The Olivetti-Xerox negotiations signal the prospect of the first important new U.S. marketing agreement for Olivetti since December, 1983, when American Telephone and Telegraph paid $260m to buy 25 per cent of the Italian group and agreed to sell Olivetti workstations on the U.S. market. Last year AT&T bought 100,000 Olivetti workstations for $160m.

A senior Olivetti executive said in Berlin yesterday that if the new Xerox agreement went ahead Xerox could begin importing Olivetti workstations by the middle of this year. He said the new accord might involve the purchase by Xerox of about 20,000 to 30,000 Olivetti M-24 personal computers and related equipment.

Xerox said only last month that it was abandoning production of its own 820-11 and 16-8 personal computer models, saying its inventories were sufficient to meet future demands. That was widely interpreted as a sign that the American group was withdrawing from mainstream competition in the U.S. personal computer market.

Xerox, however, has said it is hoping to launch a new line of personal computers this summer. A senior Olivetti executive confirmed yesterday that if the present talks went well, this new line would be supplied by Olivetti. AT&T, has given the Olivetti-Xerox talks its go-ahead and is understood to be closely involved in the Olivetti-Xerox negotiations, which may take two or three months more to complete.

Although Sig Elserino Piol, Olivetti's joint managing director for strategy, recently expressed dissatisfaction with AT&T's lack of aggression in its U.S. marketing, the Xerox talks are seen by Olivetti in different terms. The talks fit into Olivetti's new U.S. strategy of seeking additional and separate U.S. partnerships, which would supplement the already established dis-

Continued on Page 20

Video typewriter launched, Page 8

# Redland issues first zero-coupon £ bond

BY MAGGIE URRY IN LONDON

REDLAND, the British building materials company, broke new ground yesterday by launching the first zero-coupon bond issue in the Eurosterling market. The deal raises £28m ($34.4m) for Redland.

The issue follows tax rulings in Britain's 1984 budget which reflected the Government's desire to see UK companies making bond issues at fixed interest rates in preference to borrowing from banks at variable rates. This makes it easier for the authorities to control the money supply.

A zero-coupon bond pays no interest during its life but is sold initially at a discount and redeemed at par. In Redland's case, the issue price is 48 per cent of par, and the bond has a seven-year life. That gives a yield to maturity of 10.76 per cent calculated on the same basis as UK government bond yields.

Although Redland receives £28m, after paying fees to the banks arranging the issue it will repay £60m in seven years' time. In the meantime, however, it will be able to offset the theoretical interest payments against its tax liability.

Even after paying the fees, Redland receives the funds at a cost slightly over 11 per cent – cheaper than the Government's own borrowing cost.

Redland has been innovative in its financing before and was one of the first UK companies to borrow in the U.S. commercial paper market, swapping the proceeds into fixed-rate dollars. It was anxious to look into the current sterling interest rate for the medium to long-term. Other companies are expected to follow suit soon.

Strong demand for issue, Page 44

# UK coal board plans to close pits without consulting unions

BY JOHN LLOYD AND PHILIP BASSETT IN LONDON

MINING UNIONS in the UK have been told by the National Coal Board (NCB) that it intends to close pits immediately without using any consultative procedure.

The decision was relayed to the National Union of Mineworkers (NUM) yesterday as its executive committee voted overwhelmingly against the wishes of Mr Arthur Scargill, its president, to recommend lifting the overtime ban which predated the recent year-long strike.

The executive also voted to allow the NUM areas to purge their contempts of court, which will allow them to regain control of funds sequestrated during the strike.

The NCB's decision is the clearest evidence yet of its determination to take advantage of the union's weakened state by cutting back on uneconomic capacity. Lifting of the overtime ban also removes any pretence within the NUM of continuing the struggle over pit closures which was at the heart of the strike.

To compound the NUM's woes, the first signs of genuine breakaway unionism have emerged in the Durham area, in north-east England, with the formation of a "Mineworkers' and Attendant Trades' Union," organising about 2,000 miners and colliery mechanics. The core members of this group either went back to work early during the strike, were dismissed from the NUM, or both.

A letter sent from the NCB's industrial relations department to the three mining unions yesterday read:

"The board are urgently assessing the problems caused by the strike on individual collieries and other locations. It is clear that in many areas damage has occurred which will take months to recover. In some circumstances where the cost of recovery cannot be supported by a viable long-term future the damage may be judged to be permanent and irreparable.

"While detailed assessments are being made, the board are taking immediate action to reduce the costs by means of voluntary and consequential redundancy. The transfer scheme will also form part of this post-strike strategy. The management will make every endeavour to give as detailed an assessment as practicable about the state of individual collieries and action that is proposed.

"However, this immediate post-strike strike strategy should not be regarded as action within the industry's normal joint review procedures. These procedures will be fully resumed when the detailed assessments have been made."

Mr Peter McNestry, general secretary of the pit supervisors' union Nacods, yesterday, accused the board of reneging on the agreement signed by both parties last October, which provided for all collieries to go to a modified form of the review procedure. An emergency meeting of the Nacods executive is to be convened.



CONTENTS

# EUROPEAN NEWS

**Quentin Peel** spots only one cloud that could upset the Brussels summit starting today

## Community leaders have time to chart the future

WHEN THE 10 EEC leaders foregather in Brussels today for their latest summit meeting, they must brace themselves for a shock. They could be spending most of their precious time doing exactly what they are supposed to do.

That means taking stock of the state of the union, so to speak, and seeking to take a long-range perspective of where they are going and what sort of European Community they are buinlding, instead of spending all their time on the interminable internal disputes of recent years. They should even be congratulating themselves on hte imminent expansion of their numbers from 10 to 12, to include Spain and Portugal next year.

It is not to say all is quite rosy. Mr Andreas Papandreou, the Greek Prime Minister, is the man who could upset that forecast. But the outlook is certainly better than it has been, possibly for as much as a decade in Community history.

The optimistic scenario looks roughly as follows.

By the time the heads of government meet in the afternoon, their foreign ministers should have finalised the membership deals for Spain and Portugal on all the most difficult issues. Another three months' work will be required to iron out every paragraph of the accession treaties, but the summit will not have to deal with the intricate detail of how many trawlers Spain should be allowed to deploy in EEC waters, and what tariff should be imposed on imports of Portuguese tomato paste.

Last week, agreement in principle was reached by nine of hte 10 on a budget deal, which would allow the cash contributions of the member states to be increased from 1986, provide for Britain to receive its Ecu1bn (£570m) reduction in membership fee this year, and fill the immediate spending gap at some Ecu2bn in the current year.

The deal allows West Germany to maintain its insistence that increased payments to the budget must be linked to enlargement of the Community, while making sure Britain gets its promised cash at an earlier date.

Apart from those substantial signs of progress, the 10 have also managed practically to resolve two other potential conflicts in the past two weeks. They have agreed (with Denmark a bit doubtful) on how to introduce cleaner cars in Europe, without leaving any one country either too far in front or too far behind. And they have, at least for the time being, kept everyone on board (with the inevitable exception of Greece) in the EEC steel regime, by allowing an extension of state subsidies this year.

Mr Papandreou: could upset the applecart

**Portugal's Socialist Premier Mario Soares has sent a last-minute appeal to Mr Andreas Papandreou, the Greek Prime Minister, asking him to understand the political importance for Lisbon of successful negotiations for EEC enlargement, Diana Smith reports from Lisbon.**

**Apparently hoping to avert a deadlock should Greece make good its threat to impede conclusion of negotiations should it not be satisfied with arrangements for the Integrated Mediterranean Programmes, Sr Soares despatched an urgent telegram to Mr Papandreou when his country had almost finished negotiations in Brussels.**

The problem is that on the first two elements — the enlargement terms and the budget deal — Mr Papandreou has formally placed a Greek reservation, which could yet upset the applecart. His determination is to force his Community colleagues to agree on a large financial package to pay for so-called Integrated Mediterranean Programmes (Imps) before he will lift his effective veto.

He has some justice on his side: he was promised just such a package at the Brussels summit a year ago, and he is still waiting.

He also has domestic political pressure to contend with. He has to face national elections before October, probably as early as May, and is committed to fighting for the best possible deal from Brussels

The package on the table would provide Ecu 2bn in grants, up to Ecu 2.5bn in loans, and cash from the existing EEC structural funds for regional, social and agricultural development, to go to the Mediterranean regions in Greece, Italy and France. Mr Papandreou says it is not enough. Britain and West Germany lead a lobby insisting that it is too much.

M Jacques Delors, the Commission President whose plan it is, sees the whole package as a crucial part of EEC policy to help the poor south catch up with the richer north. He has not pulled his punches in urging the northern states to swallow their stinginess. Equally he says he will withdraw the entire package if Mr Papandreou rejects a deal, warning that the next plan will almost certainly be less generous.

Imps has all the makings of a bitterly divisive issue. But given the mood of co-operation and compromise of recent weeks, the heads of government could find some way of postponing outright confrontation.

They have to give a first reading to the Dooge committee report on how to move towards a greater European union: whether or not the European Parliament should get more power, and the individual members have less, by circumscribing their veto powers.

M Delors is looking for a thorough discussion on ways of improving Europe's international competitivity through high technology. The Commission has also put up a paper on expanding the Community's role in improving the environment, and another on the economic and social situation, calling for debate on how to tackle unemployment.

There is also the first report of the Adonnino committee, putting up ways of making the Community more relevant to its citizens as a People's Europe—by scrappingf frontier formalities and easing free movement of people.

That is a subject on which all the leaders can find grounds for agreement.

## Delors urges joint EEC participation in Star Wars project

BY QUENTIN PEEL IN BRUSSELS

EEC leaders will today be presented with a plan by the European Commission which would enable them to participate in the U.S. Star Wars research programme as a Community of 10.

The surprise initiative was revealed by M Jacques Delors, the president of the Commission, on the eve of the EEC summit in Brussels.

The proposal is to double the share of the Community budget devoted to research over the next five years, as part of a comprehensive package to boost high technology spending and development in the EEC and maintain European competitiveness.

M Delors said the U.S. Strategic Defence Initiative (SDI) to research ways of creating an umbrella in space to guard against nuclear attack amounted to "a new leap forward by one of the giants in the technological field."

An increase in EEC research spending from 3 per cent to 6 per cent of the budget, being proposed to the summit today, "includes the possibility of whether the Community should be involved in SDI research or not," he said.

M Delors' suggestion that the subject be discussed by the heads of government could cause a sharp response in several member states because of its military implications. Quite apart from the controversy over the merits of the SDI programme throughout the Community, and its implications for the current arms control talks, Ireland is likely to oppose such involvement on grounds of its neutrality.

The Commission president told a pre-summit press conference that the EEC leaders would have to consider the "association of ideas" between the plans for a major European research programme, and the U.S. initiative.

"Thinking about what the heads of government could decide, I must present them with a research proposal which would allow them to participate in one way or another with this programme," he said. "If the Europeans are going to take part in the technological aspects of this programme in a disparate fashion, it won't have such positive results as if they acted together."

The heads of state also have a separate report to consider for the first time today, from the Dooge Committee, which proposes a greater defence and security co-operation between member states.

## Presidential voting capers alarm many Greeks

BY ANDRIANA IERODIACONOU IN ATHENS

"WE RISK sharing the same fate as the Italians in 1924 and the Germans in 1934. It is my duty to cry out while there is time: 'Citizens, beware! Our democratic freedoms are in danger.'" The comments of Mr George Rallis, a conservative Opposition deputy and former Prime Minister of Greece, after a stormy second round of voting in parliament last weekend for a new President, were dramatic.

They illustrate the tone of public life since the Socialist Government abruptly switched Presidential candidates in midstream earlier this month. The Government abandoned, against all expectations, conservative President Constantine Karamanlis to support supreme court judge Christos Sartzetakis, a political outsider.

But the alarm is now being sounded by people not lightly given to imagining sinister shadows. Mr Rallis is respected both inside and outside his party as a level-headed political moderate, and besides him, the cream of Greece's centrist politicians and liberal urban intellectuals have in the past weeks issued statements, held meetings and published newspaper articles expressing concern about a perceived Orwellian turn in the nation's politics.

Mr Rallis: level-headed political moderate

A commentator in the respected Left-wing daily "To Vima," recently invoked Orwell's novel Animal Farm to lash at the Socialists' surprise decision and the Government has been accused of riding roughshod over ethical considerations in an all-out bid to make sure Mr Sartzetakis gets elected.

There was a furore when the Government summarily settled a constitutional debate over the right of Mr Yiannis Alevras, the acting President, a member of the ruling Panhellenic Socialist Movement (Pasok) to vote in the elections for his successor, by taking the matter to a vote in parliament, where the Socialist majority assured victory.

A few days later the House erupted in chaos when the Government introduced ballots in two colours—blue for its candidate, white against—in the second round of the Presidential elections, in a transparent attempt to prevent renegade voting in the Socialist ranks. The results of the first round had suggested that two Pasok MPs had cast blank ballots against the party line.

Accused by the conservative opposition of violating the secrecy of the ballot prescribed by the constitution, the Speaker of the House conceded that Parliamentary regulations call for "uniform" voting slips—but argued that this meant of the same shape, not necessarily the same colour.

Western diplomats in Athens label these events as "a display of Third World politics" which has tarnished the Socialists' image in the eyes of moderate voters. Most are wary however of being drawn into making the fashionable comparison with the parliamentary convulsions 20 years ago which brought on the 1967 military coup.

They point out that the Government has been sensitive to some extent to recent criticism —in abandoning for example, a proposal to amend the constitution so as to eliminate a safeguard requirement that constitutional reforms proposed by one administration can be ratified only by the parliament which emerges from the next general elections.

The Socialists also responded this week to an Opposition call for a multi-party committee to investigate allegations of phone-tapping of prominent Greek journalists, as well as the headquarters of the Conservative New Democracy party.

The Conservatives have meanwhile warned that they will refuse to recognise Mr Sartzetakis as president if coloured ballots are used in the third and final round of voting today, or if the 180-strong majority required for his election in the 300-member house is achieved thanks to Mr Alevras's vote.

The Government has not reacted to these warnings except to announce that it is planning a "celebration" swearing in ceremony for Mr Sartzetakis tomorrow. The concern voiced by many moderate Greeks about the qaulity of democratic life in the country could be the skeleton at the feast.

## Spain rejects membership of the EMS

By David White in Madrid

SPAIN HAS discarded for the time being becoming a member of the European Monetary System (EMS) after it joins the Community.

The decision to hold back on joining the EMS, the "snake" which keeps most EEC currencies within set margins from each other, is aimed at allowing the peseta to float downwards and helping Spain's competitive position.

Senior officials at the finance and trade ministries and at the Bank of Spain said Spain would wait before taking a position of EMS membership.

While joining the system is seen in the lon gterms as a way of securing currency stability, arguments in favour have been overruled by fears arising from a recent deterioration in Spaish competitivity and by the expected inflationary impact of EEC entry and the introduction of EEC-style value added tax.

## UK must pay duty on fish

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE UK broke Common aMrket customs regulations by not levying duty on fish caught in a joint operation by British and Polish fishermen, the European Court in Luxembourg ruled yesterday.

In 1980, when British trawelrmen were suffering from reduced access to Norwegian and Icelandic waters, a number of East Coast fishermen arranged joint operations in the Baltic with the Poles.

The British vessels cast their nets: the Poles took over the lines and trawled for cod; the British then took back the lines and hauled the catches aboard. The Poles were recompensed with loads of mackerel and herring.

The Customs and Excise ruled that the cod were of UK origin and exempt from duty. The European Commission said that fish could not be of Community origin if caught by vessels from a non-member country. By failing to levy duty the UK was in breach of EEC regulations.

The dispute resulted in a linguistic duel over the meaning of the phrase "extraits de la mer" in the regulations—the English version being "taken from the sea."

The Commission contended that it meant the act of catching fish in a net; the UK argued that only when the net was bought aboard were the fish taken from the sea.

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# Nitze seeks to reassure allies on space arms

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

MR PAUL NITZE, the U.S. Administration's senior arms control adviser, yesterday gave an undertaking that the U.S. would apply the most stringent tests and criteria to the new so-called "Star Wars" weapons technology before deciding to deploy it.

Mr Nitze, who was delivering the 1985 Alastair Buchan memorial lecture to the International Instiutte for Strategic Studies in London, was clearly trying to reassure the U.S.'s European allies, most of whom have expressed fears about possible changes in the West's defence strategy.

Sir Geoffrey Howe, the Foreign Secretary, and Herr Hans-Dietrich Genscher, his West German opposite number, have been in the forefront of those who have stressed that the most careful thought must be given to any change in strategy involved in adopting a non-nuclear space-based defensive system.

Though Mr Nitze made a long and reasoned defence of President Reagan's Strategic Defence Initiative, he was careful to avoid any hasty conclusions about its ultimate feasibility.

"The criteria by which we will judge the feasibility of the new technologies will be demanding. They must produce defensive systems that are reasonably survivable; if not, the defences could themselves be tempting targets for a first strike.

Another criterion by which the new weapon technology would be judged was that it must be cost effective at the margin. This meant that it must be cheaper for the U.S. to add additional defensive capability than it was for the other side to add the offensive capability necessary to overcome the defence.

If the new technologies could not meet the standards that the U.S. had set and thus failed to contribute to enhancing stability, Washington would not deploy them. President Reagan had made it clear, in any case, that any future decision to deploy the new defences against ballistic missiles would be a matter for negotiation with the Soviet Union and full consultation with the U.S.'s allies.

Mr Nitze also attempted to answer the doubts, expressed principally by Sir Geoffrey Howe, about the desirability of abandoning the strategy of "mutually assured destruction" which had ensured peace in the world for the past 40 years.

In the foreseeable future offensive nuclear arms and the threat of massive destructive retaliation they embodied would remain the key element of deterrence.

Mr Nitze emphasised, however, that any substantial cuts in offensive nuclear weapons, and their ultimate elimination, could not be achieved without find an alternative system. "Our hope and intent is to shift the deterrent balance from one which is based primarily on the punitive threat of devastating nuclear retaliation to one in which nuclear arms are greatly reduced on both side and non-nuclear defences play a greater and greater role."

## French remain sceptical

BY DAVID HOUSEGO IN PARIS

THE U.S. offer to its allies to collaborate in research over America's Strategic Defence Initiative ran into a sceptical reception from the French yesterday.

Mr Caspar Weinberger, the U.S. Secretary of Defence, yesterday met M Roland Dumas, the Foreign Minister, and M Charles Hernu, the Minister of Defence to explain the U.S. position. He saw President Mitterrand on Tuesday evening.

Official comment was minimal after the talks. But the French fear that U.S. limits on the transfer of technology would in practice mean that European nations would be given only a marginal role in the $26bn (£21.3bn) programme.

● Japan will "study carefully" a request by Mr Weinberger that it will say within 60 days whether it will participate in the SDI programme a Foreign Ministry spokesman said yesterday, AP reports from Tokyo.

# Unions from 18 countries urge action against GM

By Patrick Blum in Vienna

UNIONS representing workers from General Motors in 18 countries called yesterday for concerted action to defend jobs and fight the company's "Scrooge-like attitude" on an international basis.

Speaking at a two-day conference starting in Vienna yesterday, Mr Herman Rebhan, general secretary of the International Metalworkers Federation, condemned GM for its attitude towardsc its workers.

"In 1984 when GM's worldwide profits on a consolidated basis were $4.5bn (£3.7bn), the chairman of the board received a $1m bonus in addition to his $700,000 salary. But GM workers in the U.S., where there is a profit-sharing scheme, collected their share only on the basis of U.S. operations on the grounds that more new workers had been hired and strikes had reduced U.S. profits. This is a preposterous situation and it is high time we ended it," Mr Rebhan said.

He said that while the company had considerably increased productivity, labour costs had hardly risen. In the U.S., real revenue had risen 29 per cent and labour costs by only ½ per cent. In Mexico, company revenues rose 47 per cent while labour costs were reduced by 38 per cent and in the UK revenue per employee rose 76 per cent compared with an increase of only 7.6 per cent in labour costs, Mr Rebhan said, quoting from a federation report on the company.

Mr Rebhan called on all unions representing GM workers to develop a joint strategy to stop wage discrimination and secure jobs. "As the outline of GM's vast reorganisation becomes clearer, the need for national unions to co-ordinate some of their activities becomes greater."

## W. German steel move

The West German steel industry is to launch legal action against the European Commission in the European Court of Justice for failing to stop Italy subsidising scrap imports, Reuter reports from Dusseldorf. A statement said the Commission was guilty of neglect by ignoring an Italian law, passed last December, which granted state aid to scrap imports from outside the Community.

# Danish MPs break siege of Parliament

BY HILARY BARNES IN COPENHAGEN

IN 1848, a few hundred worthy citizens of Copenhagen walked in dignified procession to Christiansborg Palace and politely asked King Frederik VII to abolish the absolute monarchy and introduce a parliamentary system.

The king, who had only recently come to the throne, was so nonplussed by this unusual request that he came out on to the balcony and there and then agreed to the demonstrators' demand. The Danish revolution cost neither a single life nor even a broken head.

Today's parliamentarians are made of slightly sterner stuff than that king. The entrances to Christiansborg, now the seat of the Danish Parliament, were blocked yesterday morning by 1,500 demonstrators intent on preventing MPs from debating Government Bills to stop this week's major labour conflict.

When members were finally able to express their opinions 75 minutes later, they were in no mood to give in to the demonstrators.

"High treason," said Mr Laurids Torness, political spokesman for the coalition Liberal Party, commenting on the demonstration. As a former general secretary of the Danish fishermen's association, Mr Torness has in his time been no mean demonstrator himself, but most members seemed to be in agreement that teh demonstrators had violated the constitution.

Mr Erik Ninn-Hansen, the Minister of Justice, who showed his official police pass to demonstrators when attempting to enter the Folketing and was rudely turned away—was called on last night to make a report on the morning's events to the Folketing Judicial Committee.

"In my 34 years as a member, nothing like this has ever happened before," he said.

The demonstrators themselves were only slightly more obstreperous than their forebears of 1848. When the police finally arrived only two were arrested, charged with causing a public disturbance.

Meanwhile, debate went ahead on the Bill, which will impose a two-year statutory incomes policy, allowing wage increases of about 2 per cent a year. The final reading is expected tomorrow and the 300,000 workers who have been on strike or locked out since last Sunday will then be expected, by law, to return to work.

A militant minority plans to defy the Folkting. The militants see themselves as the true heirs to the proud tradition of the workers who went on strike for four months in 1-988, a conflict which led to the establishment of the Danish system of centralised bargaining, the breakdown of which led to this week's dramatic conflict.

But they are unlikely to be able to hold out for long. And with only 2 per cent extra in their pay packets this year they need every krone that is coming to them.

# Intervention less popular in France

By Our Paris Staff

THE SHARP shift in French business opinion in favour of a more market-orientated economy and less state intervention was brought out yesterday in a study released on the prospects for French companies over the next ten years.

The study based on 50 interviews with leading businessmen mainly in France found that French industry no longer wants the support from the state on which it thrived in the 1950s and 1960s.

Instead it found businessmen critical ofthe state as out of touch with rapidly changing shifts in taste or techniques of production, slow to react, and too cumbersome in its administration.

The study prepared by M Jacques Lesourne, a distinguished economist and writer on business affairs, was presented to a gathering of some 2,000 French businessmen attending a conference in Paris on the company of the future.

The study confirms the remarkable change in business attitudes that have taken place in France over the last four years — in part in response to the early mistakes of the Socialists and in part as a result of the influence of the U.S.

The study is based on a forecast that while France's growth rate will remain low for the rest of this decade, French industry will benefit from a high level of over 4 per cent a year real growth after 1990.

# Budapest names deputy leader

BY LESLIE COLITT IN BUDAPEST

THE HUNGARIAN Communist Party yesterday became the first in Eastern Europe to create the post of deputy Communist Party leader for a future successor to Mr Janos Kadar, who has been Hungary's leader since the aborted 1956 uprising. Mr Karoly Nemeth, who has frequently stood in for the 74-year-old Mr Kadar, was elected deputy general secretary of the party.

Mr Nemeth, 63, has the reputation of a loyal supporter of Mr Kadar and an opponent of Right-wing and Left-wing deviation." As first secretary of the Budapest party committee in the mid 1960s he backed the appointment of non-party persons to top positions. He is regarded as a pragmatist who gets along with both workers and intellectuals.

The party congress chose a new 13-member Politburo which included Budapest's new party secretary, Mr Karoly Grosz, who earler this week criticised the party for debating endlessly instead of heding workers' needs more closely. The Politburo dropped its only woman member and its secretary for security and defence affairs, a position Mr Grosz may assume.

Mr Istvan Szabo, head of the Collective Farm Movement was appointed to the Politburo in a tribute to the successes of Hungarian agriculture.

Mr Gyorgy Aczel, the party secretary responsible for cultural affairs, was relieved of his post although retaining membership in the Politburo.

The congress confirmed Mr Sandor Gaspar, the chairman of the Trades Union Council in his Politburo post. He has repeatedly warned that workers — many of whom bear the brunt of higher prices and stagnent wages — must participate fully in future economic growth.

Mr Ferenc Havasi, a Politburo member responsible for the economic reform programme, retained his post together with other reformers. However, their influence has been somewhat balanced by the direction of Mr Grosz who has a strong popular base among rank-and-file party members. He has bluntly criticised "excesses" under the economic reform for allegedly benefitting managers, shopkeepers and restaurant operators to the detriment of many workers and pensioners.

# Soviet party chiefs fired

BY PATRICK COCKBURN IN MOSCOW

THE FIRST weeks in power of Mr Mikhail Gorbachev as General Secretary of the Soviet Communist Party have seen the removal of a number of important government and party leaders. But it is still not clear how extensive a purge is planned.

Eight of the 165 regional Communist parties have met since the death of President Chernenko and in two the party first secretaries have been replaced. This is in line with Mr Gorbachev's emphasis on discipline and efficiency. Just before his election as leader he attacked "paper shuffling, an addiction to fruitless meetings, windbaggery and formalism."

Criticism of party and local administrative leaders is being given extensive publicity in the Press. The daily paper Socialist Industry, reporting corruption in Tula province south of Moscow, complained that evidence of wrong-doing usually came in the form of letters from the public. It asks why "the people see everything, but the party committee nothing."

The extent of the change in local party leaders will become apparent in the months up to the next full party congress at the end of this year.

# Warsaw plans tougher laws

THE POLISH authorities are pressing ahead with changes in the penal code which will make it easier to sentence political offenders and toughen sentencing on criminals, Christopher Bobinski reports from Warsaw.

The move comes as the number of political prisoners put unofficially at 116 continues to creep up and the trial is expected soon of three Solidarity leaders, Mr Bogdan Lis, Mr Wladyslaw Frasyniuk and Mr Adam Michnik.

The changes, some to be permanent and others for only three years, were given a first reading in parliamentary committee this week

# Italy bans tankers from straits

By James Buxton in Rome

THE Italian Government is temporarily banning tankers of more than 10,000 tonnes from passing through the Straits of Messina between Sicily and the mainland.

The ban, which will last for 45 days from April 3, follows a collision last week in the straits which are little more than a mile wide at their narrowest.

A 52,000 tonnes Greek tanker, the Patmos, was in collision with a small Spanish motor tanker, the Castillo de Monte Aragon, which was empty at the time. Three sailors died or were lost from the Patmos which caught fire. She leaked about 1,000 tonnes of crude oil which formed slicks threatening the beaches on both sides of the straits. Neither ship sank.

Much of the oil has now been recovered in an anti-pollution operation involving about 20 ships. The ban on ships of more than 10,000 tonnes carrying oil or other harmful cargoes will be enforced as the authorities decide what permanent arrangements to make for the control of shipping in the straits. About 400 ships a day use the straits.

The ban will add substantially to the length of the voyage that any tanker passing between the Eastern Mediterranean and Italy's western ports.

In 1982 a report commissioned by the Government recommended that it set up a system of lanes for the strait and create a control centre. But no action was taken.

# China blames bad management for high budget deficit

BY MARK BAKER IN PEKING

CHINA yesterday reported a $1.78bn (£1.48bn) budget deficit for last year, $715m more than planned and the highest in four years.

Wang Bingqian, finance minister, described the budget as China's chief financial problem and said that one of the main causes for the deficit was economic mismanagement.

In his annual budget report to the National People's Congress, Wang said that on present estimates China's 1984 revenues totalled Y146.5bn (£43bn) against expenditure of Y151.5bn.

Wang said state revenue had grown well during the year with domestic receipts totalling Y143bn—11.1 per cent over budget.

However, expenditure had grown because of extra allocations for energy and transport investment, relief from natural calamities and "lack of strict control over expenditures and a corresponding lag in management and supervision.

"This fact shows that we must remain sober-minded even in an excellent situation.

"If we do not remain prudent and properly control spending following a considerable increase in revenue, we shall suffer a financial deficit all the same.

"This is a lesson we must never forget.

China's deficit reached a high of Y17.06bn in 1979 but was cut to Y2.55bn in 1981. It has been expanding since then.

Wang projected a deficit of Y3bn for this year with a 4.8 per cent growth in revenue and a 3.5 per cent rise in expenditure.

He said receipts from the Government's new tax system last year had been Y93.8bn, 15.8 per cent over budget. Profits delivered by enterprises totalled Y26bn, 12.9 per cent under budget.

The shortfall in receipts from enterprises was caused largely by increased state price subsidies for grain and cotton purchases due to large harvests.

# Saudis tighten belts as oil revenues remain low

BY MICHAEL FIELD

SAUDI ARABIA is tightening its belt as it continues to adjust to a situation in which its oil production, still the source of nearly all its revenue, is running at a level only one-third of what it was five years ago, with average per barrel income down to $25 (£21) compared with $31-$32 three years ago.

The budget published last week is the first since the price explosion of 1973-74 to project lower spending than actual disbursements in the previous year. By the standards of the developing world the austerity may be modest, but for the Kingdom the process of adjustment is not without pain.

Among Saudi and foreign businessmen in the Kingdom there is a mood of concern, though not in any sense depression. The Kingdom, after all, has a population of only 8m.

Even so, the Saudi market is not nearly as easy and profitable as it used to be and there is little prospect of its improving for the rest of this decade.

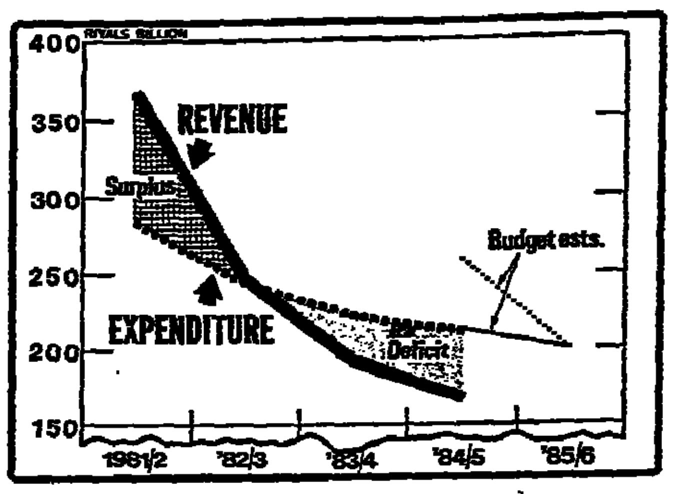
In the last year, there have been delays in the Government paying contractors, though recently this situation has improved. Many small and inefficient Saudi busniesses have ceased to operate. There have been one or two serious collapses and more are expected.

Until this budget the Government's line in public was that business would continue as usual, financed by modest drawings on the Kingdom's massive financial reserves. Now it is admitting that times are difficult. As King Fahd put it in his budget statement: "It is natural that we have to adapt ourselves in a constructive way to the new circumstances."

The new budget, which runs from March 22 to March 12 next year, precisely balances revenues and expenditure at riyals 200bn ($56bn). It involves the Government increasing revenue by about $10bn and cutting spending by nearly $4bn.

In practice, on both the spending and revenue sides, the budget is rather optimistic, though less so than the budgets for the last two years.

It is thought that the Government should not find it too difficult to cut expenditure, giving that the saving needed is only $4bn. Efforts are already being made to reduce administrative spending by setting a limit on the amount of overtime government employees may work and restricting their official foreign travel to two months a year.




In the last 12 months, subsidies have been reduced on certain foodstuffs, water, electricity and petrol, albeit by small amounts. Last October, a big cut was announced in the price that the Government will pay wheat farmers for this summer's harvest. This alone should save more than $500m.

The Government says its intention is to make further cuts in its enormous subsidy bill and there seems to be ample scope for it doing so. At present, subsidies account for 80 to 90 per cent of the real cost of water and electricity supplies. Petrol is still 50 cents a gallon.

Whether these subsidies are cut further will depend on decisions still to be taken by the King.

King Fahd may find it extremely difficult to bring himself to act on the issue. He is a kind man who hates taking awkward decisions and his instinct will be that whatever harsh measures might be suggested by the financial situation, the years of prosperity ought to be allowed to continue for the Saudi people for a bit longer.

Most probably, if the Government finds its spending running above target, it will again delay contractors' payments and postpone projects. This is despite the fact that it is said this year that development outlays should increase at the expense of current spending, which seems to have been rising out of control.

The more serious problem concerns the revenue side of the budget, of which the Government gives no breakdown.

Given the state of the oil market, it is difficult to see Saudi Arabia receiving more than $27bn to $29bn for oil and natural gas sales. Investment income and current domestic revennues can hardly be above $9bn and $7bn respectively. To supplement these sums, it is thought that the Government is intending to demand some $3bn of liquid assets built up over the years by Petromin, the State oil company, and Aramco, the company that runs Saudi oil production.

Together, these forces give a total plausible revenue of $46bn to $48bn, which suggests that, despite its intentions, the state will have to draw some $8bn to $10bn from its reserves.

The Kingdom has not published a figure for its reserves since last August, but they are thought to stand at present at about $100bn to $110bn.

Whether the Government will admit that it is drawing on its reserves if it has to do so is a different matter. In the year just ended, it predicted drawings of $13bn and has announced actual drawings of exactly this amount. In reality, it is thought that its drawings amounted to $20bn and that this figure has been disguised by creative accounting.

For Saudi businessmen it is important that this year the Government is intending to balance the budget. The rundown of reserves last year was widely known and was felt to be happening at too fast a rate.

So far, few Saudis have subjected the budget to any rigorous analysis and no details or critical unofficial comment is ever published in the Kingdom's newspapers or magazines. The tendency has been for most people to greet with relief the news that the Kingdom will be receiving $56bn of revenue.

The more sophisticated accept that the figures are optimistic, but they say that, if the Government makes proper economies, they see no reason why a country of 8m people should not run happily on just $40bn a year.

# Singapore president quits

BY OUR SOUTH-EAST ASIA CORRESPONDENT

PRESIDENT Devan Nair of Singapore unexpectedly resigned from office yesterday, unable to discharge his duties as ceremonial head of state because of an admitted dependency on alcohol.

His resignation, announced by Prime Minister Lee Kuan Yew in parliament, stunned Singaporeans and focuses attention on an institution which Mr Lee wishes to reform.

Last year Mr Lee suggested that the president be directly elected, and said he did not rule out standing for the office himself. Mr Lee expressed particular concern about protecting the disposal of the island state's substantial foreign exchange reserves.

Mr Nair's term was due to expire in October this year, and his premature departure inevitably raises the question of who will replace him. Wee Chong Jin, the Chief Justice of Singapore, is acting president.

# Sudanese army quells rioting

BY OUR MIDDLE EAST STAFF

RIOTING broke out again yesterday in the Sudanese capital Khartoum but later reports said that government troops had restored order using teargas and firing shots over the heads of demonstrators.

The cause of the disturbances is reported to be a Government decision to remove subsidies from certain basic foodstuffs. However, the Sudanese Press claimed that subsidies had only been reduced on sugar-related items such as soft drinks.

President Jafaar Nimeiri arrived in the U.S. on Wednesday for talks with the Reagan Administration and to undergo a medical examination. The first rioting started shortly after his departure.

Police said yesterday that about 2,000 people had been arrested during the disturbances. Shops were attacked in several parts of the capital and most remained closed yesterday because of fear of further looting.

Sudan's economy, already in serious difficulties, has been further disrupted by the inflow of refugees fleeing the famine in neighbouring Ethiopia. Foreign debt has mounted alarmingly and is now thought to be in excess of $9bn.

# Moslem socialists claim Beirut kidnap

By Richard Johns

THE kidnapping of Mr Alec Collett, the Briton working for the United Nations' Relief and Welfare agency who was seized by gunmen on Monday, was claimed yesterday by the "Revolutionary Organisation of Socialist Moslems."

The organisation is widely believed to be a front for the Palestinian terrorist Abu Nidal (nom de guerre of Mr Sabri al Banna) and probably has strong Libyan connections. It was responsible for the murders of Mr Reg Norris, the British Deputy High Commissioner in Bombay, last November and Mr Kenneth Whitty, deputy director of the British Council in Athens, a year ago.

A hand-written note delivered to a newsagency's office in Beirut accused Mr Collett of spying for Israel. Some documents related to spying missions in the service of Mossad (Israeli foreign secret service) and American intelligence had been found on him," it said.

The organisation would attack Britons until "all Moslem freedom fighters" were freed from British jails—a clear reference to the three men convicted of the attempted murder in June 1982 of Mr Shlomo Argov, Israeli Ambassador ine London, which was the pretext for the subsequent invasion of Lebanon.

Nevertheless, a UN spokesman said in New York yesterday that Mr Collett, 63, was being treated well and might soon be freed.

His captors had assured in contacts with the UN that he was receiving medicine for his diabetes.

# Death toll high after Iraqi air attacks

BY OUR MIDDLE EAST STAFF

OVERNIGHT Iraqui air raids in Tehran and Iranian border towns and villages yesterday left 34 people dead and more than 250 wounded, according to the official Islamic Republican News Agency.

Sixteen of the dead and 199 of the injured were said by Nrna to have been in Tehran—the biggest toll for a single raid reported since Iraq broke a nine-month-old UN-sponsored agreement to avoid attacks on centres of civil population.

Rockets destroyed a four-storey building and other houses in Tehran. Other towns attacked were Baneh in the north-west and Ilam in the central border area.

Iraq said its aircraft had attacked four Iranian cities, two Army camps and a vessel near Kharg Island, Iran's main oil terminal. The fighters had "returned safely after scoring a direct and effective hit on a very large naval target."

A military spokesman in Baghdad said that the Iraqi Air Force had earlier carried out "devastating raids against vital targets" in the Iranian cities of Ilam, Saleh Abad, Isfahan, and Tab and two Iranian Army camps at Baneh and Merawan.

In the Gulf no distress signals were picked up nor was there any other confirmation of the Iraqi claim to have hit two more ships.

According to Western diplomats, the Royal Saudi Air Force scrambled F-15 fighters on Tuesday to intercept the Iranian aircraft which rocketed the 14,000 dwt merchant vessel only 54 miles north-east of Jubail on the coast of the Kingdom's Eastern Province but they failed in their mission.

The failure to reach the target with long-range missiles has raised some concern about the effectiveness of the early warning system provided by U.S's and the Kingdom's aerial defence as a whole.

# Taiwan companies step up U.S. and Europe activities

BY BOB KING IN TAIPEI

TAIWAN companies here are starting actively to pursue the establishment of marketing and distribution subsidiaries in Europe and the U.S.

At least eight major companies — including Multitech Industrial, one of Taiwan's most innovative hi-tech organisations, and Nan Ya Plastics, part of the Formosa Plastics Group—have expressed strong interest in setting up their own facilities in Europe, according to the Taipei representative of a Dutch consulting company.

During the past two years, several Taiwanese companies have set up marketing outlets or entered into joint ventures with companies in the U.S., especially in hi-tech areas.

In some cases, the Taiwanese companies bought out American ones outright, then transferred the plant and "know-how" back to Taiwan.

The attention being paid to Europe marks the first sign of interest in carving out significant chunks of the market there.

In addition to Multitech and Nan Ya Plastics, the companies include major exporters such as Asia Chemical, the machinery-maker Kent Industrial, and Kun Nan Enterprises, a maker of sporting equipment.

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# AMERICAN NEWS

## Brasilinvest directors banned from travel

**By Andrew Whitley in Rio de Janeiro**

*A DOZEN of Brazil's senior businessmen, including the presidents of five of the country's leading companies, have been banned from travelling abroad without previous permission from the central bank.*

A telex message was sent this week from the central bank to the federal police asking the border authorities to stop, among others, the president of Volkswagen do Brasil – the largest vehicle manufacturer in Latin America – and of Varig, the Brazilian international airline, from leaving the country.

Among those affected are Sr Wolfgang Sauer, the Volkswagen president; Sr Helio Smidt, the Varig president; and Sr Mauro Salles, president of Salles Interamericana – the country's leading advertising company – who is President Tancredo Neves' personal adviser.

The 12 businessmen had served on the Council of Administration of Brasilinvest, a troubled investment bank, closed down last week by the central bank. Under Brazilian law, directors of companies liquidated on government instructions have their personal assets frozen and are banned from travelling abroad, pending the outcome of the ensuing official inquiry.

In an action unprecedented in recent Brazilian history, the finance ministry has also asked for the preventive detention of Sr Mario Garnero, founder and president of the Brasilinvest financial and industrial group. This order is expected to be served on Sr Garnero within the next few days.

Earlier this week, Sr Garnero asked for court protection against creditors for Brasilinvest SA, his holding company. He is also reported to be seeking a purchaser for NEC do Brasil, a wholly-owned subsidiary which was taken over from the Japanese telecommunications giant in 1982.

This week's move against a group of businessmen who are household names in Brazil is the first concrete sign of the new civilian Government's stated determination to take a tough line with "white collar" crime.

Legal action is also understood to be in train against some of those involved in the spate of business scandals and unexplained company failures.

## Reagan urges trading partners to adopt U.S. free enterprise policy

**BY REGINALD DALE, U.S. EDITOR IN WASHINGTON**

PRESIDENT Ronald Reagan yesterday used America's trading partners to adopt his own free enterprise, market-orientated polices so as to catch up with a booming U.S. economy that was racing ahead of them.

"The American economy is like a race horse that's begun to gallop in front of the field," he told 1,700 wildly cheering traders on the floor of the New York Stock Exchange. Mr Reagan, the first President in office to visit the 193-year-old exchange, then range the bell to open the day's trading at 10 am.

Appealing for support for his proposed spending cuts and tax reforms, Mr Reagan said his economic programme for the next four years would "turn the bull loose." Tax reform and budget control would set the economy free "to expand to its full potential, driving the bears back into permanent hibernation," he said.

As for America's allies, he said, they should "throw off the dead weight of government, cut their own tax rates, spending and over-regulation and join us in opening up their markets to foreign competition — so that they can catch up with us in our race to the future."

The failure of U.S. trading partners to keep pace with American expansion had caused "some painful dislocations," especially for U.S. exporters, he said. He was nevertheless supremely confident that the dramatic American growth record of the last two years could be repeated.

Mr Reagan said that in his first term, "an enormous rush of new equity issues, venture capital and new investment became the driving force behind an economic expansion as strong as any we've seen in 20 years." After the malaise of the Carter Administration, the mood on Wall Street had moved to one of "hope, confidence and opportunity," he said.

## U.S. trade deficit increases to $11.4bn in February

**BY NANCY DUNNE IN WASHINGTON**

THE U.S. merchandise trade deficit increased to $11.4bn (£9.42bn) in February from $10.3bn in January, producing the largest monthly deficit since September, the Commerce Department said yesterday.

Mr Malcolm Baldridge, Commerce Secretary, warned in a statement: "Further increases in imports and higher trade deficits lie ahead. U.S. exporters continue to struggle with handicaps imposed by the strong dollar, slower growth abroad and foreign import barriers."

Both imports and exports declined but imports, at $29.3m, dropped only 1.3 per cent from January while exports declined 8 per cent over the month to $17.9bn.

The monthly U.S. trade deficit with Japan worsened from $3.7bn in January to $4.3bn in February as car imports increased. The higher limits the Japanese are placing on auto exports to the U.S., announced Wednesday, bodes ill for the already-huge trade imbalance.

The country also recorded trade deficits of $1.5bn with the EEC, $410m with Mexico, $1.1bn with Taiwan and $425m with South Korea.

Imports of petroleum products dropped 11.8 per cent, as oil prices declined from $29.59 per barrel in February last year to $28.02 this February. However, the U.S. trade balance in manufactured goods rose to $9.3bn, up $1.8bn from January.

Imports of clothing, a seasonal item, went up as did shipments of motor vehicle and tractor parts, telecommunications equipment, aircraft, electrical machinery, bauxite and alumina.

The strong dollar curbed foreign sales of agricultural commodities, particularly wheat and maize.

Imports of European cars have also surged since the end of last year, moving from a fourth quarter average of $567m to more than $835m in January and February.

## Pan Am ground crew strike ends

**By William Hall in New York**

THE four-week-old strike of ground crew workers, which has brought more than half the fleet of the troubled Pan American Airways to a halt, has ended following ratification of a new three-year contract by the airline's 5,753 Transport Workers' Union members.

The decision to go back to work was carried by a small majority of the TWU members at Pan Am and reflected a widespread feeling that the union had been defeated in its efforts to get improved terms from the financially hard-pressed company which has lost $762m (£629.7m) over the last four years.

However, the end of the longest major strike in Pan Am's history, has not ended the airline's labour problems. Pan Am's flight attendants are threatening to strike from April 1 if they cannot get agreement on a new contract with the management. Faced with this possibility, Pan Am has been training new flight attendants and plans to pay them considerably less than the existing staff.

Mr Edward Acker, Pan Am's chairman, said the new agreement with the TWU, which will run until December 31, 1987, is consistent with economics and productivity features required by Pan Am to capitalise on future expansion opportunities.

## Falkland talks held in London

**By Hugh O'Shaughnessy**

THE SECOND bid within a week to narrow the gap between Britain and Argentina on the Falklands issue started at the Royal Institute of International Affairs in London yesterday. Earlier in the week British and Argentine politicians had met in Bonn.

The talks will continue today as Dr Carlos C. Hebling, a leading Argentine financier and former president of the National Development Bank in Buenos Aires, calls at the Foreign and Commonwealth Office.

The Argentine delegation arrived here from Bonn yesterday where they had joined with a group of Argentine senators in talks with British parliamentarians of all parties.

# Britons have bought our cars by the million. So now Nissan are here to make them in Britain.

## Over a million satisfied customers.

Each year for the last 11 years, the top-selling imported car in Britain has been Nissan – outselling even those European makes which have been on the UK market for half a century and more.

It has made Nissan – even before they manufacture here – one of the 'Big Four' motor car names in Britain, with well over a million cars sold.

The strengths that helped Nissan to achieve this result have been **QUALITY AND RELIABILITY** with exceptional value for money. And the vast majority of those one million Nissans did not go to company fleets, but to the private buyer, using his own money. Naturally, that makes a buyer extra critical. So the cars have sold on their merits.

The Daily Mail, reporting a national survey of 17,000 motorists on garage servicing, said: 'Nissan has more cars giving more satisfaction than any other motor car in the survey.'

Now, as a result of the demand for Nissan cars, the Nissan Motor Company of Japan has decided to invest in Britain by building a car factory here.

## Investing in Britain.

So, Nissan, the 4th largest car manufacturer in the world, is in the process of making a very substantial contribution to the British economy by investing in a £300 million car production plant in Sunderland, bringing to the UK and Europe the most advanced technology available, including second generation robots new to Europe. It will make full use of the hi-tech knowhow Nissan has gained through the development of products such as rocket launchers for telecommunications satellites. Nissan will work towards the production in Britain of 100,000 cars a year on one shift, with over 80% genuine local content, substantially more than some of the best-known products of the other multi-nationals, American-owned Ford and Vauxhall or Talbot.

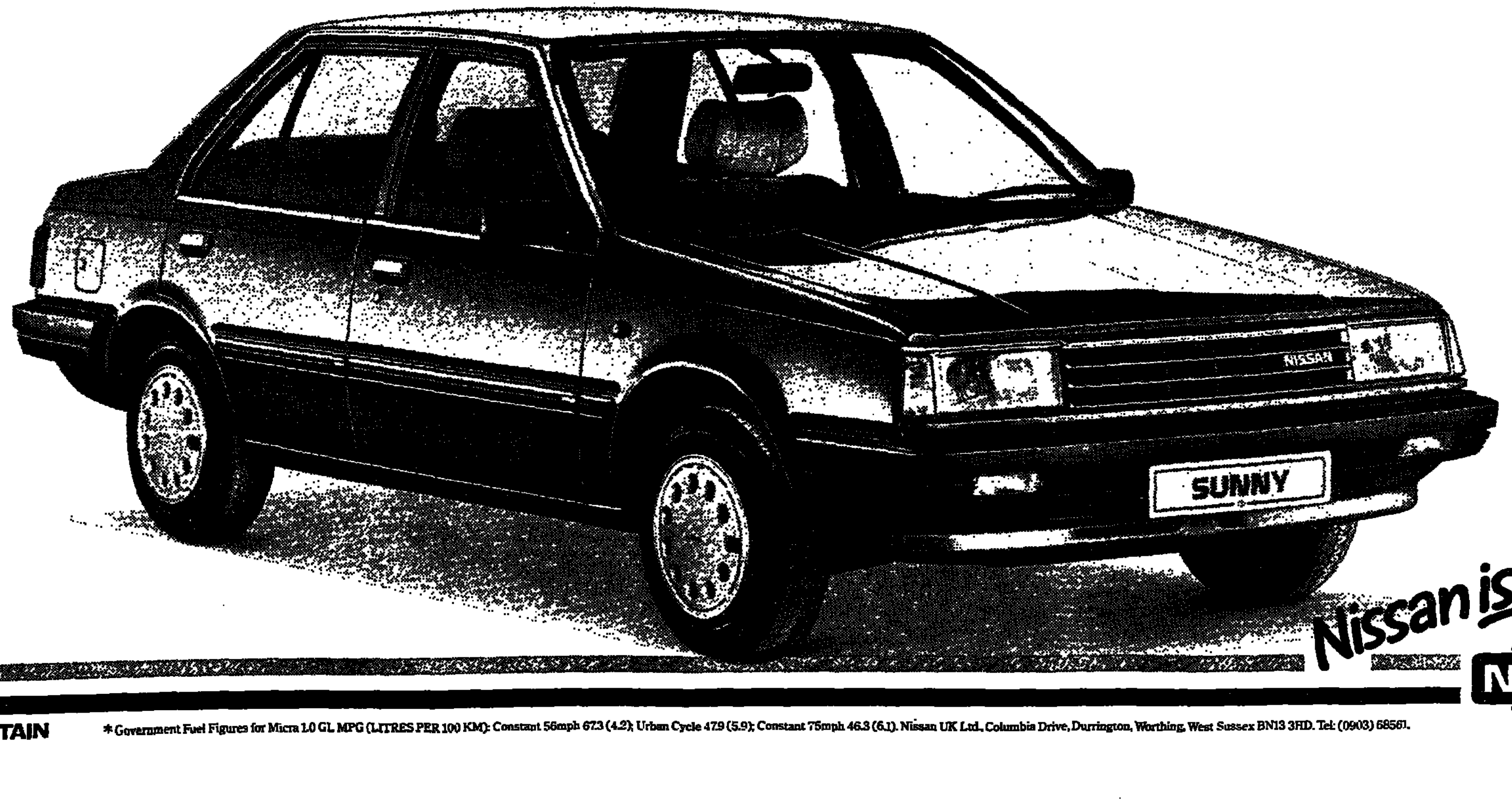
## The extra value.

The benefit for Britain? Thousands of jobs for British people and cars built like the cars we offer now, to Nissan's very high standards of quality at the most competitive prices, for export as well as for the home market.

Today we offer a 54 model range that is one of the most comprehensive available in Britain. Cars from the outstandingly economical Micra Supermini that offers up to 67.3mpg* to the 145mph 300 ZX Turbo. In between are the Sunny saloons and the Cherry hatchbacks, both top-10 sellers for the last decade, the newly announced Bluebird saloons and estates, and the award-winning Silvia sports coupé. They all deliver performance allied to real fuel economy and unbeatable reliability backed by a free 100,000 mile/3 year guarantee and free 6 year anti-corrosion guarantee. All have highest luxury extras fitted as standard and all are offered at tremendous value prices.

Today's Nissans are produced with the advanced technology that ensures the highest quality.

**Nissan prices increase on April 1st.**
**Go to your Nissan dealer while pre-increase stocks last.**




Nissan is Better.

NISSAN

BUILDING IN BRITAIN

* Government Fuel Figures for Micra 1.0 GL MPG (LITRES PER 100 KM): Constant 56mph 67.3 (4.2); Urban Cycle 47.9 (5.9); Constant 75mph 46.3 (6.1). Nissan UK Ltd., Columbia Drive, Durrington, Worthing, West Sussex BN13 3HD. Tel: (0903) 68561.

# Comecon 'poised to boost trade with Bonn'

BY RUPERT CORNWELL

THE IMPROVED creditworthiness of the Comecon countries, and forecasts of stronger internal growth for 1985, point to a further significant increase in West German trade with the East bloc, according to Berlin-based DIW economic research institute.

The institute reckons it unlikely that this year will see a repeat of the double-digit expansion registered by several East European countries in 1984 with Bonn, long established as the West's leading trading partner with Comecon as a whole.

But it points out that national forecasts suggest real economic growth of an average 3.9 per cent in the seven European members of the organisation in 1985, up from 3.4 per cent in 1984.

This comes on top of a more than doubling of their assets held in Western banks between 1982 and 1984, to $21.7bn (£19.8m) according to DIW estimates.

Last year saw a sharp deterioration in the Federal Republic's overall trade position with the European Comecon nations — excluding East Germany, with which Bonn has special economic ties.

While total exports climbed only 2.5 per cent to DM 20.2bn (£5.2bn), imports from the East jumped 18.9 per cent, leaving West Germany with an aggregate deficit of DM 3.28bn, against one of only DM 42m in 1983.

Much of the turnaround derives from an abrupt worsening of Bonn's trade accounts with the Soviet Union, of which it is by far the most important Western partner, and which alone accounts for half of West Germany's overall dealings with the Eastern bloc (again excluding West Germany).

While West German imports from Russia jumped in value terms last year to DM 14.3bn from DM 11.8bn in 1983, exports dropped back to DM 10.8bn from DM 11.2bn.

# Malaysia-U.S. air accord

MALAYSIA and the U.S. have signed an aviation agreement paving the way for the Malaysian carrier to operate services to the U.S. west coast, Wong Sulong writes from Kuala Lumpur.

The deal was secured after more than a year of tough negotiations

Malaysian Airline System (MAS) will now be able to fly thrice-weekly flights from Kuala Lumpur to Los Angeles via Tokyo, starting July next year, and to take passengers along the route.

In return, Northwest Orient of the U.S. would start its services to Kuala Lumpur from the U.S. West Coast this May.

# U.S., Canada embroiled in new export dispute

By Bernard Simon in Toronto

LESS THAN a fortnight after President Ronald Reagan and the Canadian Prime Minister, Mr Brian Mulroney, committed themselves to lowering U.S.-Canada trade barriers, the two countries have become embroiled in a dispute over Canadian pork exports.

The U.S. Commerce Department has imposed a duty of 10 per cent on imports of pigs from Canada and a 2.5 per cent duty on pork carcases to counter subsidies paid to Canadian producers.

Canada's pork exports to the U.S. reached C$540m (£321m) last year, more than a quarter of total production.

The new tariffs come on the heels of disputes between the two countries over Canadian exports of processed foods containing sugar, and softwood lumber.

Canada asked the General Agreement on Tariffs and Trade earlier this month to set up a panel to investigate U.S. import quotas on sugared foods, including confectionery, baking mixes, and powdered drinks.

Canadian products estimate that the curbs will cost them about C$40m a year in lost business.

The U.S. Congress is currently considering restrictions against Canadian lumber following a sharp increase in the Canadian share of the U.S. market.

An official of the International Trade Department in Ottawa said, however, that the Government is not unduly concerned at the spate of measures against Canadian exports.

## SCEPTICISM IN WASHINGTON, DISMAY IN JAPANESE MOTOR INDUSTRY

# Tokyo promises to limit car exports to U.S.

BY ROBERT COTTRELL IN TOKYO

JAPAN'S Ministry of International Trade and Industry (Miti) said yesterday it will limit Japan's car exports to the U.S. to 2.3m units in the year beginning April 1.

Miti's decision to continue its regulatory role comes despite a recent U.S. decision not to press for a renewal of the quota system which has governed the flow of cars from Japan to the U.S. since 1981. It puts an end to weeks of speculation that followed the U.S. decision.

Mr Keijiro Murata, Minister of International Trade and Industry, said the new ceiling will be imposed "on Japanese initiative" and represents "a transitional step towards the attainment of free trade."

The decision has been greeted with scepticism in Washington, and with dismay in the Japanese motor industry.

Mr Shoichiro Toyoda, president of Toyota Motor Corporation, Japan's largest carmaker, called the new measure "a burden." Mr Takashi Ishihara, president of Nissan Motor Corporation, said he was "deeply concerned."

The 1985-86 ceiling of 2.3m cars is 24 per cent higher than the 1.85m units fixed for the Japanese motor industry in the year now ending.

Miti officials said yesterday that, without restraints Japanese manufacturers would be capable of shipping 2.6m-2.8m cars to the U.S. in the coming year.

"A sharp and disruptive increase in Japanese passenger car exports to the U.S. would clearly be undesirable for the long-term development of the Japanese and U.S. automobile industries and of Japan-U.S. relations," Mr Murata said yesterday.

Mr Makoto Kuroda, director-general of Miti's international trade policy bureau, said the Ministry had not yet decided how the quota will be allocated between individual manufacturers.

Miti's job would be "to make the allocation of unhappiness fairly," and "consideration . . . in a very special manner" would be given to those Japanese manufacturers with already developed plans to sell cars to the major U.S. carmakers for local resale.

The most notable of these so-called "captive" Japanese exporters with established U.S. affiliation are Suzuki and Isuzu. General Motors is a significant shareholder in both companies.

In allocating the new quotas, Miti is likely to face particular pressure from Japan's smaller carmakers, who feel that past quotas have primarily benefited the "giants."

Toyota alone holds 30 per cent of the 1984-85 quota, while Nissan holds 26 per cent.

Mazda, by contrast, though Japan's third-largest carmaker, has only a 9 per cent allocation, reflecting its undeveloped U.S. position when the quotas were first set in 1981.

Mr Kuroda said the higher ceiling should mean cheaper Japanese cars for U.S. buyers, who have been paying, in some cases, large premiums for popular models.

Stockbrokers Jardine Fleming estimates that the average profit per Japanese car sold in the U.S. totalled about $2,000 (£1,818) in 1984, but would fall to about $1,650 with the quota ceiling raised to 2.3m.

# Attack on W. Europe's medium van market continues

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE AGGRESSIVE Japanese attack on Western Europe's medium van market continued last year and, once again, Volkswagen of West Germany, and Ford, with van plants in the UK, Belgium and Portugal, were the main losers.

Japanese producers boosted their share of the van business by 2.8 percentage points last year compared with 1983, to 21.3 per cent of Western Europe's 14 major markets.

At the start of their campaign, in 1980, the Japanese accounted for only 11.8 per cent. During the same period, Volkswagen's share, in a sector where it is represented by the Transporter van, dropped from 20.2 per cent to 15 per cent.

Ford's Transit van in 1980 took 18.5 per cent of the available sales but last year had just 13.5 per cent.

As the van market has also declined over the period, Volkswagen's sales have dropped from 134,200 in 1980 to around 95,600 last year. Ford's registrations slumped from 123,000 to 86,000.

Much of the Japanese gain last year was made in West Germany. Japanese van sales jumped from 25,200 to 33,500 and their penetration soared by 6.7 percentage points, from 19.4 per cent to 26.1 per cent.

There were other big percentage advances in Denmark, by 11.7 percentage points to 58.7 per cent of total van sales; in the Netherlands, by 5.5 percentage points to 32.4 per cent and in Norway, by 8.5 percentage points to 51.1 per cent.

Among the European producers, in the 1980-84 period, both Fiat of Italy and Renault of France escaped much damage from the Japanese push.

Both introduced new products —the Renault Trafic/Master range and Fiat's Daily—and both have domestic markets where imports of Japanese vehicles are severely restricted.

Total Western European commercial vehicles registrations fell by 40,000 to 1.8m last year. Renault, because of its domination of the car-derived van sector, accounted for 16.1 per cent (down from 16.5 per cent);

Ford accounted for 10.6 per cent (same); Fiat 10.3 per cent (9.7 per cent); Peugeot/Citroen/Talbot 9.9 per cent (11.1 per cent); Mercedes 9.1 per cent (9.4 per cent); Volswagen 8.7 per cent (9.4 per cent); General Motors 4.4 per cent (4.1 per cent), and BL 4.3 per cent (4.5 per cent).

WESTERN EUROPE MEDIUM VAN MARKET
(14 countries)

| | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|
| Total market ('000) | 643.9 | 637.5 | 651.6 | 637.7 |
| Market share (%) | | | | |
| Japanese | 16.7 | 16.4 | 18.5 | 21.3 |
| Volkswagen | 19.5 | 17.2 | 16.3 | 15.0 |
| Ford | 14.8 | 16.0 | 14.7 | 13.5 |
| Peugeot/Citroen/Talbot | 9.1 | 10.5 | 10.3 | 9.7 |
| Fiat | 5.8 | 7.9 | 8.9 | 9.3 |
| Renault | 8.5 | 8.6 | 8.6 | 8.7 |
| Mercedes | 9.1 | 9.1 | 8.8 | 8.6 |
| BL (Freight Rover) | 3.7 | 3.6 | 4.1 | 4.5 |
| General Motors (Bedford) | 6.2 | 4.6 | 4.0 | 3.6 |
| Motor Iberica | 1.7 | 1.5 | 1.8 | 1.9 |

Source: Industry

# Olivetti launches new line of video-typewriters

BY ALAN FRIEDMAN IN BERLIN

OLIVETTI, the leading European-owned data processing equipment maker, yesterday launched a new line of video-typewriters, which the company claimed would gain wide acceptance on the European markets.

It predicted total sales would reach $1bn (£909m) by the end of next year.

The Italian company said it was aiming at a European market revolution as significant as its 1978 introduction of the electronic typewriter.

Olivetti said the video-typewriter market, which is in its infancy, would have much faster growth than the word-processing market in Europe, which in 1985 could suffer a decrease of 4.3 per cent.

The basic piece of equipment, represented by the new Olivetti ETV 240, to retail at $1,650 (£1,500), is an electronic typewriter linked to a free-standing video screen.

Olivetti said that videotyping would eventually overtake standard electronic typewriters because of its simplicity and productivity gain in office time.

The company said that while it normally takes a secretary two weeks to learn the skills required for a personal computer and one week for a word processor, the video-typewriter could be learning in 2½ hours.

Other companies such as Xerox, Panasonic, Cannon and Olympia have already introduced video screens which can be added on to electronic typewriters.

In 1983, Olivetti launched the ETV 300 add-on video module. If Olivetti's sales go as planned, the hope is to achieve $150m-worth of sales this year and more than $200m in 1986.

Olivetti claims that the new market which has not yet been subject to industry analysis, last year had sales of 58,900 units, an increase of 88.8 per cent on 1983 sales, when the video hook-ups were first introduced.

The Italian company says its current European market share is 38 per cent.

# RAF deal a breakthrough for Embraer of Brazil

BY ANN CHARTERS IN SAO PAULO

EMBRAER, Brazil's leading aircraft manufacturer, is attributing to its open market policies its role in the winning of a £125m order to supply 130 Tucano trainer aircraft to the Royal Air Force.

The deal was announced late last week by Short Brothers of Belfast, which will build the aircraft with Embraer. Both deals will provide employment boosts to both companies, and in addition will give Embraer a much-needed lift into world aircraft markets.

This is the first time that the design and technology of an advanced developing country has won out in a major defence contract put out to tender by a Nato country. In this sense, it is a major breakthrough.

## Technical basis

British diplomats involved in the deal insist that there was no political considerations involved. "It was strictly judged on a technical and price basis. Competition was very fierce," a senior British diplomat commented this week in London.

Moves to challenge the decision by British Aerospace, one of the losers in the tender, are thought unlikely to succeed.

Even though the deal was not political, Anglo-Brazilian trade stands to benefit in the climate of confidence that has resulted.

In 1984 Brazil exported £638m-worth of goods to the UK, and British exports to Brazil were worth £239m.

Embraer hopes the contract will prompt other areas of Brazilian industry into re-examining the wisdom of closing markets to foreign technology and imported products, to protect domestic companies.

According to Sr Ozires Silva, president of Embaer since its founding in 1970, the key to success had been a willingness to incorporate equipment in the Tucano—independent of whether they were Brazilian-made or manufactured elsewhere.

This open-minded approach had also helped upgrade Embraer's own technology. Embraer on average imports 30 to 35 per cent of its components for an aircraft, including engines, depending on the criteria of the customers.

Until now, the Brazilian Air Force has bought 118 Tucanos, Iraq 80, Egypt 40 and Honduras eight. Negotiations are under way with other countries that are understood to include Canada, India, Japan, which could be now boosted by the RAF's endorsement.

Embraer believe it could sell up to 200 to the RAF. It is also thought that up to 200 more could be sold to other countries, either the Short Brothers version or the Brazilian-made one.

Embraer, a mixed capital company, has 250,000 private shareholders which contribute 93 per cent of the firm's total equity of Cr 69bn ($22bn).

However, management control is in the hands of the Brazilian Government, which retains 51 per cent of the voting shares.

The Brazilian Air Force funded the estimated $50m for the Tucano development plus another $60m to instal tooling and production lines.

## Joint marketing

Buoyed by Short's vital role in winning the RAF order, the two companies plan to continue their relationship with the joint marketing of their respective unpressurised and pressurised 20-, 30- and 40-seat aircraft.

Sr Silva's strategy of not going it alone has meant that Embraer is undertaking the development of a military jet, the AMX, in conjunction with two Italian companies.

Asked whether Nato is a potential customer for Brazil's military aircraft, Sr Silva demurred, indicating Embraer would not spend too much on promotion because European industries counted on Nato contracts.

Embraer's sales totalled $200m last year which includes $74m in exports. Profits dropped to $1m due to lower sales in the aviation industry worldwide, which is still experiencing a recession.

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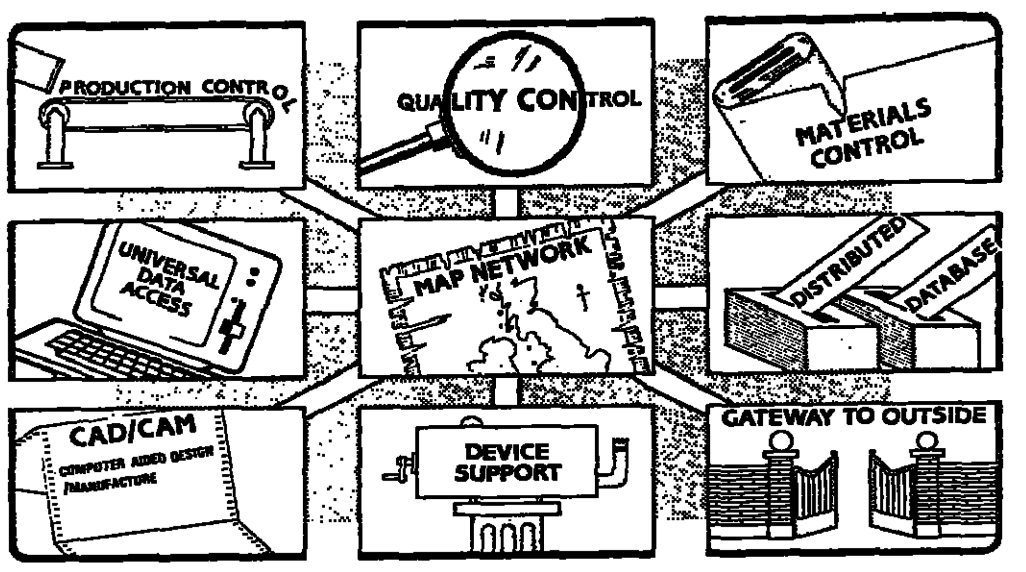
# TECHNOLOGY

EDITED BY ALAN CANE

THE FACTORY OF THE FUTURE WILL DEPEND ON MACHINE COMMUNICATIONS

## GM backs right automated horse

BY GEOFFREY CHARLISH




GENERAL MOTORS has won major user and supplier backing *in Europe for its manufacturing* automation protocol (MAP). This is a factory communications concept that allows any make of computing and production equipment to interwork in "the factory of the future."

In applying overall automation to its own plants, GM soon realised it had thousands of incompatible pieces of equipment. *It was forced to develop* its own communications approaches, without waiting for U.S. and European standards bodies to reach final conclusions. Significantly, it decided to adopt the "seven layer model" put forward by the International Standards Organisation (this page, March 21).

There has been wide acceptance by companies with the same problems as GM. In the U.S., supporters include Boeing, Deere and Company, Eastman Kodak, Dupont, Ford, Inland Steel and McDonnell Douglas.

Sensing a potential market of great size, several U.S. makers have announced plans for MAP based products. They include AT & T, Allen Bradley, DEC, GE (U.S.), Gould, Hewlett Packard, IBM, Intel and Motorola.

On Wednesday, GM rolled the Map band waggon into Europe at a packed Heathrow conference run by Computer Aided Manufacturing International (CAM-i) and Beale Electronics, an early UK proponent of MAP.

The outcome was that major

Sensing a potential of great size, several U.S. makers have announced *plans for* MAP-based products

potential users BP, Fiat, Philips, Renault, Unilever, Volvo and Volkswagen, together with Du Pont, Kodak and GM's Vauxhall Motors indicated they will attend a proposed European user group meeting in a month or two.

Several of these spoke in support of MAP. On the vendor side, GEC and Siemens are prepared to make products, for example.

Ms Patricia MacConaill of the EEC's Esprit operation was at the meeting and offered to chair the proposed European user group. There is a segment of Esprit currently examining computer aided manufacturing (CIM) which is clearly working towards the same ends as *MAP*.

Although there may be no serious contention between the two, it is likely that MAP will become dominant. Nevertheless, Esprit is committing 1,000 man-years to its CIM effort and Ms MacConaill believes MAP and Esprit/*CIM will* continue to run in parallel.

She described MAP as "an *interesting* example of a user pressure group" and thought that European companies had three options. One might be to sabotage it in the standards committees, the second might be to do nothing and the third, most *likely* action will be to embrace it.

Mr Mike Keminski, MAP project manager at GM, emphasised the sheer necessity for the *technology at the company's* plants. He cited cases of plant operators grappling with five terminals from different makers (or even from the same maker) simply because the five systems could not be connected together for access from one screen and keyboard. Cable trays measuring 3 × 1.5 ft, packed with all kinds of signal and power cables were commonplace.

The solution sometimes applied in office environments — simply to use systems from *one supplier only* — is not applicable in the variable technology environment of manufacturing. Keminski states: "*No one vendor can supply all* our needs."

So GM set up a task force in the early 70s and seven divisions were participating by *1980*. Now, the whole corporation is involved and the MAP specification has had its third update, with strong emphasis on compliance with existing and emerging standards from ISO and the other relevant U.S. and European standards bodies.

Wayne Hanna of McDonnell Douglas, who is chairman of the U.S. MAP user group, claims that 30 to 50 per cent of the cost of new automation is due to inter-device communications. Custom device programming needed because of proprietary communications protocols and the consequent major re-writes of application programs is "causing major capital expenditures."

Hanna states bluntly: "The computer industry today offers *no method of expanding* multi-vendor factory automation using non-proprietary communications products based on in*dustry standards*."

While the standards bodies started by tackling the bottom end of the ISO-7 model — the physical means of signal transmission — MAP has been working at the more difficult top end, concerned with format and content of messages and the nature of the application itself such as whether one controlling robot or a machine tool.

At the phyical level, according to Mr R. S. Crowder of Du Pont, "no one knows what the *best standard is*." *But* Hanna was categorical. The IEEE 802.3 approach (basically Ethernet), "is not" he said, "for the factory." Its main *problem is that the access time* is not predictable — which can be a serious matter in a factory controlling machines like robots or machine tools.

In terms of the large scale integrated circuits needed for MAP, Intel for example has said it will offer "silicon, software, boards and systems." *Users can already get* a "MAP starter kit" which allows them to develop software ahead of MAP chip availability. Token bus boards will be available by the end of this year. Intel says it is already working with "strategic accounts" in Europe.

So far, the only other circuit company to offer MAP silicon is Motorola.

Whether MAP takes off in Europe, or whether a "pure European" approach prevails remains to be seen. Mike Keminski assured the Heathrow meeting that GM had not come into Europe "in an aggressive posture."

He also suggested that, with

Whether MAP takes off in Europe or whether a "pure European" approach prevails remains to be seen.

MAP adopted, European companies could sell into the U.S. But the statement was met with *some wry smiles* — many delegates thought that exactly the opposite might prove to be the case.

KNOWLEDGE COMPUTERS

## Machine experts for oil rigs

BY PETER MARSH

*CONTROL* OF oil rigs and management of disease—these are the widely different aims of two technical groups working on new types of computer systems that incorporate the knowledge of human experts.

The work involves what are known as expert systems, sets of rule-based software structures that set out to encapsulate *information* in a way comparable to that used by the human brain.

Several commercial groups in Britain and the *U.S. are selling* various versions of expert systems, which companies such as British Telecom and GEC are starting to buy *in small* numbers, mainly for evaluation to see if the products can help them in management tasks.

PA Computers *and Telecom*munications (Pactel), part of the PA group management consultants, is hoping for commercial success with *an expert* system called ESCORT which could help in the control of complex engineering installations

The system *would* receive automatically (from sensors linked to the installation) a flow of information about the conditions of different items of equipment. With the aid of rules previously fed into the computer that are derived from expert plant engineers, *the* system would aid relatively junior technicians who are trying to make sense of the information.

The system could warn operators, for example, of possible emergencies or advise them in the event of equipment failures, the rupture of pipes for example.

Dr Mike Turner, of Pactel's intelligent systems centre, says several oil and gas companies are interested in using ESCORT. Pactel is demonstrating the expert system using a Xerox 1108 workstation.

To implement such a management tool on a real-life oil platform, in such a way that the system would automatically keep track of several thousand different items of data such as temperature, pressure or flow rate, could cost up to £500,000.

A second expert system under development is further away from realisation. It is part of a joint project at St Thomas's Hospital Medical School and the City University's department of systems science, both in London.

In the project, funded by the Greater London Enterprise Health and Social Security, workers are attempting to feed into a personal computer several hundred rules that give general information about diabetes.

The rules could, for example, link particular symptoms of the disease with a specific course of *action* that a patient should take. This could involve, for example, better control of the disease using doses of insulin.

*Alternatively, the rules could* give general guidelines on when a general practitioner should seek the advice of a specialist. *This is after the doctor* is confronted by a specific problem suffered by diabetics, for example poor blood circulation or cloudy vision.

According to Dr Fiona Harvey, the researcher in charge of the project, the aim is to give doctors in general surgery a tool to be used in dealing with the problems of diabetics,

Preventing piracy

## Coded memory chips

INTEL believes that it has come up with a device which will deter the most enthusiastic hacker—someone who likes to break computer codes to gain access to information.

It has developed an erasable programmable read only memory called keprom which prevents unauthorised copying of software stored on read only memories.

The system designer can set up two codes, or keys, which have to match before the memory will give up its information. *Intel says that its chip* has 18 quintillion possible keys which even using a computer to try all possible combinations would take 45bn years.

The device can be plugged into the same sockets as standard 128q eproms and has an access time of 250ns. It is made in the companies n-mos silicon gate process technologies and will sell for a price of $45 each for quantities of 10,000 units. More details from Intel in Swindon on 0793 696000.

Marketing

## Selling software like tea

TWO Japanese companies have developed a system to sell *software* as though it were a product in a vending machine. Brother Industries and Intec are beginning trials of a personal computer vending system in Japan this week.

The machine is linked to Intec's nationwide value added network called Ace Telenet. This network provides *computer data and information* over telephone lines. The host computer at Intec's headquarters will store various types of personal computer software including games.

A customer chooses the *software* he wants while *watching the display. Just as in a drinks vending machine,* the customer places a coin, *but also a floppy disk or magnetic tape into the machine.* The software will automatically be recorded on the disk or tape.

About 60 types of software mainly of the games variety, will be available through the vending machines which will be installed in the showrooms of Brother Industries in *Tokyo and Nagoya. Later major software* dealers are expected to have machines in their shops. Brother Industries estimate that the market for the machines will be about 1,000 spread throughout book stores, record shops and supermarkets in Japan.

Programs

## Banking on credits

HONEYWELL has launched a credits software package for international banks. The com*puter company developed* the software in conjunction with American Express International Bank which is now using the system in 24 countries.

The software automates all aspects of import and export letter of credit processing. It can run on Honeywell's DPS6 range of minicomputers which have communications facilities to financial networks such as SWIFT and to the conventional telex system.



Communications

## Computer networks

BRIDGE Communications has launched a communications device which brings the *Ethernet local area network to the IBM network system.* Called a server, the devices will allow users with IBM machines and computer running. Ethernet to communicate easily with one another.

Each device can handle up to 24 terminal devices. Makes include the Dec VT100, Tele-Video model 925 and the IBM 3101.

Mining

## Cooling system for gold mines

A MACHINE that can produce a block of ice seven times the size of an average house is being used to cool South African gold mines.

Anglo American Corporation engineers are building what the company says is the first fully automated cooling placing using thermal storage in the free state. A computer is used to control four huge refrigeration machines which operate at the President Brand gold mine. It regulates the temperature and varies water flow rates.

*The plant cools service water* before it is sent underground. The chilled water passes through machines to suppress dust and *at the same time* cools the working environment. Also it cools large quantities of air which is forced underground at a temperature of 8 deg C.

The plant modifications will return a portion of chilled water to return to the plant. This will have the effect of reducing the inlet water temperature to the evaporators and will give better control during seasonal temperature changes.



# GULF FINANCE

## Sheikhs unwilling to bail out the Galadari brothers' Dubai Bank

Creditor banks fear the prospect of another large-scale liquidation in Dubai, reports **Kathy Evans**

THE DUBAI Government has ruled out the possibility of a bailout for the troubled Dubai Bank, according to Mr Ahmed Tayer, the United Arab Emirates Finance Minister.

The bank is 70 per cent owned by two prominent local businessmen brothers, Mr Abdul Rahim Galadari and Mr Abdul Latief Galadari, with minority stakes held by Citibank, Wells Fargo and Credit Suisse. Dubai Bank is said by the minister to be facing short-term liquidity problems, but in the long run "could be a going concern."

Speculation had emerged in the past week that Union Bank of the Middle East, now majority-owned by the Dubai *Government, would take over* Dubai Bank. However, the minister, who is also the chairman of Union Bank, rejected the idea. *He hinted that* either the bank or the Government might be willing to take over a property investment in *Singapore which is the major* source of Dubai Bank's problems.

Dubai Bank is the third bank in the emirates *in* the past 15 months to experience difficulties. The first was Union Bank of the Middle East itself, which had to be bailed out following the financial collapse of Mr Abdul Wahab Galadari, its founder and chairman, who is the younger brother of the Dubai Bank Galadaris.

Two months ago, Union Bank was forced to absorb the Emirates' National Bank. In both cases, the Dubai Government has played a major role in *resolving the problems* and providing the necessary finance.

However, in the case of Dubai Bank, the local sheikhs who constitute the Government appear unwilling to come to the rescue. The minister said: "The Dubai Government is not going to interfere any more. It is up to the Galadaris to solve their problems. It is the private *sector*, and not my business."

The UAE Central Bank, too, has been conspicuously absent from the affair.

The Galadaris own one of the oldest trading companies in Dubai. *It is one of the* emirate's largest single employers, and has interests in hotels, foods, property, engineering and vehicle agencies, including the Mazda distributorship. They also own the largest English language newspaper in the Gulf, the Khaleej Times.

A number of international and local banks had been depending on a government bailout for the bank This would leave them free to consider a rescheduling of loans to the other commercial and trading operations of the two brothers.

In April last year eight foreign banks led by Citibank of the U.S., agreed to a $68m refinancing package for the brothers, and are now anxious that there should be no forced liquidation of any of the group's assets to raise funds for the bank.

The foreign banks fear the prospect of another large-scale liquidation in Dubai where, in *the absence* of a formal bankruptcy code, the ruling sheikhs have in the past made unilateral decrees. The banks say that in previous cases, these decisions have shown preference for local creditors and have frequently run contrary to codes of business practice accepted elsewhere.

The major burden of the Dubai Bank is a US$200m property investment in the heart of Singapore which was started by Abdul Wahab, the youngest brother. Dubai Bank was obliged to take on the project, at government insistence, and when the Singapore property market began to turn sour, the bank had to provide additional financing.

This, coupled with withdrawals of funds by the Government, caused liquidity *problems, and the bank's board* was reshuffled at government orders last month. Even so, this small family bank, with a paid-up capital of only $36m, still has problems, and needs an injection of funds, possibly up to $272m according to some estimates.

The Singapore project is, however, still guaranteed by Union Bank, *a link which* has prompted the speculation about a merger. Union Bank was believed to have been seeking a "sweetener" of about $400m from the Government, but the Dubai sheikhs were said to be questioning the need for them to pour money into another troubled bank when the Galadaris could simply liquidate some of their assets to provide the necessary funds.

The sheikhs have stressed in the past that they are prepared to step in when necessary to protect the international reputation of the emirate. However, they have also made it clear that they are not prepared to bail out all the banks which *have problems. Given the wide*spread difficulties of banks in the Emirate at the moment, such a commitment would prove expensive to the ruling family.

Another factor is that the sheikhs are mindful that they already own a substantial part of the town's assets, and any further takeovers by the Government of major business interests would unravel the unwritten bargain they have with the merchant community which *essentially* leaves business to them, and ruling to the sheikhs.

A more important question *is how well liked* the Galadaris are in Dubai. Are they the "unwanted Persians," as one leading merchant characterised them, or a well respected trading family who will receive support and understanding *from the local authorities?* A string of local and international banks would dearly like to know the answer.

*If*, as the banks fear, the Galadaris are left to cope with the problems of Dubai Bank themselves, the solidity of their empire will come under close scrutiny by their creditors. Their assets, both overseas and at *home*, are thought to be in the region of $382m. Their debts to Dubai Bank, together with some personal guarantees given on behalf of relatives, amount to $95m. Overall, though, their total indebtedness may amount to around $237m, with some of the town's less friendly merchants putting it much higher.

The banks are said to be poring over the company's valuations of its own assets, and examining what their liabilities may finally be. The *Galadaris* have interests in the U.S., Pakistan, Sudan and Sri Lanka, not all of them profitable.

The most worried bank is perhaps Citibank, which lead managed the $68m syndicated loan to refinance the Galadaris' debts last year. Collateral was an assignment of income from the Intercontinental Hotel and apartment complex, plus shares in Dubai Bank.

*However, the mortgage* was never registered with the local authorities and legal and financial opinion is mixed as to its validity. (That, too, will depend on the view the *sheikhs* take.) As for the bank shares, Credit Suisse and Wells *Fargo, the* other shareholders, were never notified of the pledge. When Abdul Wahab did the same thing with his *Union* Bank shares to finance his gold dealings, the result was a lawsuit in New York which continues to this *day*.

The last thing the creditor banks want is a messy and disorderly liquidation of the Galadari assets. The Galadari family are said to be examining the possibility either of selling their shares or of subscribing to a capital increase for Dubai Bank. They wonder whether it is worth plunging more money into their bank, given the toll it would take on their existing empire, and *the* uncertainty of their local standing.

Even in those solutions there are problems. The shares are already pledged *and their* sale would require agreement with the banks concerned. Moreover, their value is now difficult *to determine*, to say the least. More important, it is the Government of Dubai which would be the most logical buyer not only of the shares, but of all the other assets as well. Clearly the Emirate Government *would not like to* see the bank simply close and, therefore, Government assistance may prove unavoidable once again.

## UK CRIME PREVENTION

# Police tackle growing problem of fraud

By Walter Ellis

UNLIKE OTHER crimes, fraud often leaves no traces. There is no body in the library; no smoking bank vault. Money is not hauled off in *sacks* by men with stockings over their heads. One of the problems, in fact, *is recognising* that it has occurred in the first place.

All that is certain is that it *is growing.*

The victims of fraud may have lost thousands of pounds investing in a fund or project that isn't there. But when the crime is channelled through the institutions—Lloyd's, the *Stock Exchange,* commodity houses—it is sometimes impossible to pin down who has lost what. If it is a matter of someone simply not gaining what he had expected from an investment or speculation, how can it be said for certain that a crime has been committed?

Heading the fight against fraud are the various UK police fraud squads, headed by the joint Metropolitan and City squad, and the newly created Fraud Investigation Group (FIG) of the Department of Public Prosecutions, designed to speed up *the* currently laborious process of bringing suspected offenders to court.

The FIG was set up, with Treasury backing, two months ago. Already it has established a good working relationship with the *police, who require* guidance on points of law and on the likely potential of a given investigation.

Sir Thomas Hetherington, the Director of Public Prosecutions, believes that an increased acknowledgment of the *existence* of fraud in very recent years has been an important step forward. The business of "confidence" was overplayed in the past, he says, and there was too much of the atmosphere of a gentleman's club, *in* which no one ratted on his fellows.

"We don't want to give the impression abroad," he says, "that there is major fraud here and nothing is being done about it. *I think it is very important,* for example, that the City institutions have woken up and are putting their house in order. Self-regulation is the first and most important step. But if there has been a crime committed, then *it must be prosecuted.*"

When Sir Thomas took over the DPP, there was just one fraud division which was heavily over-worked. Now there are three divisions and soon there may be more. "The police *realise that it pays* to bring us in earlier," Sir Thomas explains.

The FIG is divided into three divisions: Greater London commercial fraud, Outside London commercial fraud and public sector fraud. There is one overall controller and three assistant directors, each of whom has a *team of lawyers and,* since last month, a team of accountants as well. Sir Thomas hopes the accountants will help to cut through the dense financial foliage that sometimes obscures a crime.

With the *planned creation of* a National Prosecution Service under the DPP, Sir Thomas foresees a further expansion of the FIG concept, to include, perhaps, specialists in computer fraud. He recognises the immense complexity of fraud cases, and hopes that his new unit will be able to improve on the current *conviction* rate for fraud.

In 1983, 324 major frauds were *reported throughout* the UK. From this total, there were just 37 prosecutions, including four at magistrates' court level and 11 at the Old Bailey. There were 10 appeals arising from convictions.

*The conviction* rate for 1984, for which detailed figures are not yet available, was 70 per cent.

Sir Thomas *believes that one* way of securing more convictions—on the assumption that the police and the DPP have done their job right in the first place—would be to replace juries in highly complex fraud cases by a *system of specialised* judges and assessors.

Naturally, such a switch *would be controversial, and it* has already been opposed in principle by the Criminal Bar Association and the National Council for Civil Liberties. A commission on the prosecution of fraud under Lord Roskill is *at present* considering the matter but Sir Thomas is not optimistic that he will get his way.

Det Chief Supt Squires, head of the City Fraud Squad

Lord Roskill is also looking into whether the DPP should *have increased* access to company books and bank accounts. Prosecutions are often held up by lack of information on vital matters, and the sacrosanct nature of financial information is something else which Sir *Thomas* feels to be in need of early revision.

Across London, near the Guildhall, Chief Superintendent Gerald Squires is head of the City Fraud Squad, which interacts closely with the FIG.

He is assisted by 56 other officers — six below establishment — and works in parallel *with the* 150 *specialists* at the Met, under Commander Malcolm Campbell. The Met unit, known as C6, enjoys a certain glamour as a kind of up-market Sweeney, but it is Chief Supt Squires and his team who have charge of the Square Mile and thus some of the biggest frauds of all.

Members of the *squad* are all hand-picked, and many of them have high rank — "to give us *clout* in the City." But it would be rare for a new entrant to be able to read a balance sheet. This skill comes in time, as do the abilities required for separate cheque and credit card sections.

*The work* is painstaking. Even when it has been established that a crime has been committed, an officer must expect that it could be five years before it comes to court.

Strangely, there is no one at present on the *City Squad* who specialises in computer crime, since by Mr Squires's reckoning this is the one to watch. Instead, it is handled by a special C6 unit, headed by Detective Inspector John Austen.

One of the problems with computer fraud is that, in many instances, it is not *fraud* at all. The theft of information is not yet a crime in the UK, and unless a computer break-in can be shown to have led to pecuniary advantage, police are sometimes powerless to act.

Nor can companies always be sure that their data systems have been broken into in the *first place.* As with all good frauds, high skill is employed and there may be no trace of crime. Insurance companies *think* that total losses may be running at £2m a day nationwide, and banks all expect to make substantial losses through computer drain. But it all remains a matter of conjecture.

Det Insp Austen has his own *small group of specialists,* but is aware that much more needs to be done. He has urged the setting up of similar teams in every police force in Britain.

"The type of people who will be the fraudsmen of the future *will have an intimate relation*ship with their computers," Mr Squires says. "Already, there coud be all sorts of computer frauds going on that we don't know about. I am not computer-literate myself and I don't understand how people can break into high-security networks. But we have to wake up to it. We're very *conscious* of what is happening, and I'm sure we'll deal with it when it hits us."

Mr Squires draws a distinction between computer fraud and and computer-related fraud. A computer fraud occurs when the specialised characteristics of a computer are used to execute a new form of fraud. This can involve breaking computer security codes and alter*ing software* so that new instructions are given to the machine, to the criminal's advantage.

Much more common at present is computer-related crime, where information stored in a computer is called up and abused. Details of a bank account or shareholding may be changed, and orders given that money should be transferred from one account to another. When linked to computer networks, crimes here can take on a truly international dimension, causing immense complications for the investigating police.

Mr Squires warns that more *and more people* are being tempted into crime by the opportunities that come their way in the ordinary line of business.

One measure of what is at stake with modern fraud is "*money at risk*"—the volume of cash which police estimate crooks to have had specific designs on in a given year. In 1963 it was put at under £2m; by 1983 the figure had jumped to £115m, and last year's total *should prove to have been sub*stantially higher. Cheque card fraud alone cost UK banks £25.8m in 1984—a rise of 25 per cent on 1983.

Not all of the "money" at risk is actually stolen. Estimates made relate both to frauds actually committed and to others thought to have been *attempted.* The *amount stolen* without any suspicion of crime can only be a guess.

Increased disclosure notwithstanding, the incidence of fraud is growing. The police and the DPP are making inroads where they can, but the boundaries of crime are expanding at an ever quickening pace, and it is difficult to avoid the conclusion that the forces of the state are running hard just to stand still.

## EMPLOYEES WHO BETRAY TRUST

**A SURVEY by the Audit Commission for local authorities in England and Wales, published today, analyses 77 reported instances of fraud committed in 1984. It concludes that the opportunity, rather than the actual amount, was the determining factor.**

**"Disturbingly," it notes, "a large number of frauds are perpetrated by long-serving employees in trusted positions, who divide almost equally between clerks and managers or supervisors."**

**In one instance of theft of computer - produced output, presigned Giro cheque forms with a maximum face value of £931,000 were stolen.**

***The Audit Commission* sent out 1,800 questionnaires on fraud, and received 943 replies—a response rate of 53 per cent. It believes that some of those who did not reply were too embarrassed *to do* so. Also, it considers that a number of frauds went undiscovered.**

**Significantly, few financial institutions responded to the Commission's questions. *The report refers to estimates* or "enormous losses" in this sector.**

# Accountants drop plan to adopt inflation standard

BY LIONEL BARBER

THE UK accountancy profession's efforts to agree on a standard for current-cost accounting officially collapsed yesterday.

The profession's accounting standards committee (ASC) said it was abandoning its proposals outlined in exposure draft 35 (ED35). The position of the tougher inflation accounting standard, SSAP 16, which ED35 was supposed to replace, is now uncertain.

Yesterday's announcement leaves the accountancy profession in some disarray. Both ED35 and SSAP 16 have met hostile reaction from both business and practising auditors, with about one in four UK listed companies at present complying with either standard.

Mr Peter Godfrey, the ASC's chairman, said: "We are still in the middle of a debate about what should follow." He said there was at least widespread agreement within the profession that historic cost accounts were unsatisfactory.

Other leading accountancy figures said that ED35 was doomed before it had a chance to get off the ground. They criticised its inflexibility and its claim to give a true and fair view of a company's financial position.

The latest developments were variously described by leading accountants as "a disaster" and "a complete climbdown."

Under ED35, companies were supposed to provide additional information in the form of a footnote on how inflation affected their profit-and-loss account. Mr Godfrey said it was widely accepted that the effect of changing prices was necessary for an appreciation of a company's result and financial position.

The committee intended to discuss new proposals next month, with the aim to set a common standard by the end of the year.

Many observers believe that is wildly optimistic. Mr Cyril Banyard, president of the Institute of Cost and Management Accountants, said it might be necessary to call on the Government to step in to provide statutory backing, if only to require companies to state in their accounts why they were choosing a particular accounting method.

Mr Godfrey said statutory backing was an option, but he doubted whether it would find much favour. "I think government would take the view that we should sort out our own problems."

# Companies report on black S. African labour

A THIRD of UK companies with interests in South Africa do not negotiate pay claims with their black African workers, according to a Department of Trade and Industry (DTI) report.

A further 10 per cent of the 171 companies surveyed said they abided by agreements made in industrial councils on which black workers were not represented. However, 30 per cent of companies now formally recognise independent black trade unions, three times as many as in 1982.

These figures are published in an analysis of British companies with interests in South Africa compiled annually by the DTI under the European code of conduct. The information has been provided voluntarily by British companies since 1978.

Mr Paul Channon, Minister for Trade, said that 137 companies qualified as "category A" companies – those holding 50 per cent or more of equity in South African companies employing at least 20 black workers. According to the report, these companies – which included groups such as GEC, BP, Cadbury-Schweppes and Barclays Bank International – employed over 104,000 black workers in 1984.

Mr Channon said that the returns showed evidence of British companies' increased dealings with emerging trade unions in South Africa and a greater commitment to training, education and community projects.

□ MRS MARGARET THATCHER, Prime Minister, dismissed speculation that Britain and the Irish Republic were close to an initiative on the problem of Northern Ireland.

"There will be no change whatsoever in the Northern Ireland constitution unless it has the full consent of the people of Northern Ireland, who are part of the UK," she told MPs.

□ UNION leaders at Vauxhall have rejected a company plan for a computerised clocking-on system for 15,000 manual car assembly workers. They say the idea has overtones of George Orwell's "Big Brother."

The company says it wants hourly-paid workers at its Luton, Dunstable, and Ellesmere Port plants to be issued with plastic clocking-on cards, similar to credit cards, which would be inserted into a terminal at the beginning and end of every shift. This would be connected to a computer, which would be able to calculate hours worked, pay, overtime, holidays and other personal details.

□ BP OIL has started a feasibility study into the possible relocation of its London headquarters to Hertfordshire.

About 750 people are employed at BP House, at Victoria, London. Another 600 are employed at Hemel Hempstead in Hertfordshire, and the study will consider combining the two groups at a new site in the Hemel Hempstead area.

If the company moves, it will join the sizeable number of large companies which have in recent years decided to leave the capital for cheaper accommodation elsewhere.

□ MR MARK WEINBERG, founder of the Hambro Life Assurance and Abbey Life Assurance Groups, is to head a committee which will create a new watchdog on the affairs of the City of London. He will chair an organising committee responsible for the new body, the Marketing of Investments Board.

□ ESSO, which vies with Shell for leadership of the UK petrol market, has led an industry-wide move to bring petrol prices back below £2 a gallon. It is cutting prices by about 4p a gallon from today, which puts the pump prices back to where they were before they were raised by a duty increase in the budget on March 19.

□ AUSTRIA's biggest bank, Creditanstalt-Bankverein, is starting up a finance company in Glasgow intended to finance capital purchases of medium-sized British businesses on a hire purchase basis. The bank's venture, C.A. Industrial Finance, will have authorised capital of £2m, plus a subordinate loan of £2m from the parent bank.

□ THE LONDON International Financial Futures Exchange (LIFFE) has set the date for the launching of its first options contracts. Trading will begin on June 27 in options on the three-month Eurodollar futures contract as well as on a physical dollar/sterling option.

□ THE NET value of Britain's fuel exports in 1984 fell by £842m due largely to the effects of the coal strike.

Provisional government figures, show that total fuel exports exceeded the value of fuel imports by £5,196m compared with net exports of £8,038m in 1983.

□ INCREASED sales of 6m tonnes of coal over the next five years to industrial customers are planned by the National Coal Board. The board envisages an increase from 9m to 15m tonnes.



John Lloyd reports on the Government's White Paper on employment

# 'Nationwide action needed' to help jobless

THE GOVERNMENT yesterday published a White Paper (policy statement) on employment – "The Challenge for the Nation" – which seeks to secure its strategies for creating jobs in the face of the mounting political challenge to unemployment.

The White Paper proposes no new measures but details those taken in last week's budget and before to liberalise the labour market and to provide support for training and the long-term unemployed.

Its tone is largely exhortatory and didactic. It stresses that responsibility for job creation rests not just with Government, but with employers – especially small businesses – with unions and with individuals.

It states: "Jobs come from customers and from nowhere else. That simple and enduring truth must underline any useful discussion of employment."

In an attempt to set the terms of the employment debate, it says in its introduction: "There is a nationwide consensus on the seriousness and urgency of the problem. Everyone cares. But agreement to care is not enough. There must be nationwide understanding of the origin and the nature of the problem, and nationwide action, if it is to be solved."

Underscoring this, Mr Tom King, the Employment Secretary, said yesterday that people must understand that that Government did not have "some sort of wand to solve the problem – people must understand the part they can also play in contributing to the fight against unemployment."

Mr John Prescott, the opposition Labour Party's employment spokesman, described it as "a shabby document and an insult to the 3m unemployed. It is unique as a White Paper because it says to the country that all of you are to blame – except the Government."

The paper allocates blame to governments which had "handicapped business by too much intervention and regulation"; to managers which had "failed its workforce ... and did not recognise and react to the realities of competition"; to workers, "especially those in powerful unions (who) felt they could escape the discomfort of new ways of working and hold economic reality at bay"; and to the undervaluing of the entrepreneur "whose initiative and risk-taking link customers to jobs and are the key to wealth creation for all."

It pledges further action on making the labour market more flexible, and exhorts managements and workers to moderate pay settlements.

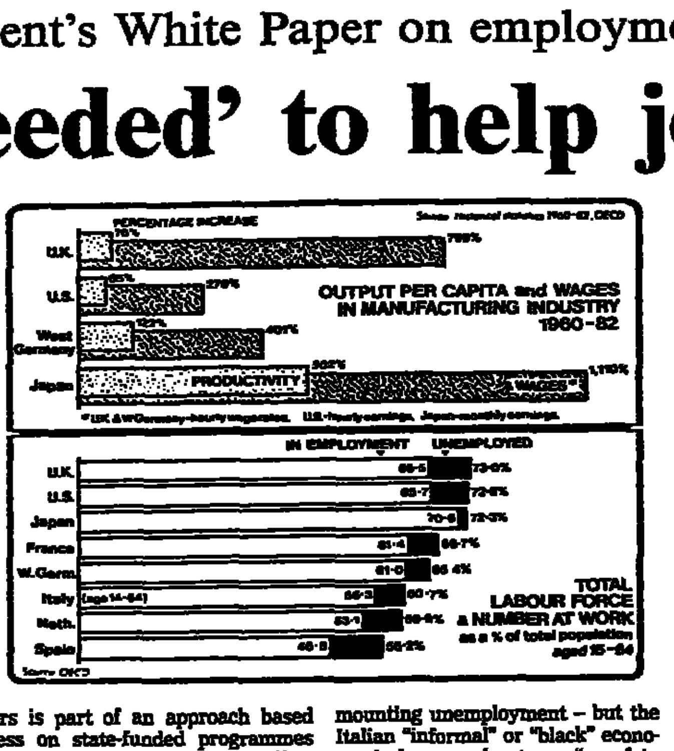
"There is little evidence" it says, "despite expressions of concern, that employers and unions negotiating for those in work have yet appreciated the effect of wage increases on the chances the unemployed have of finding jobs."

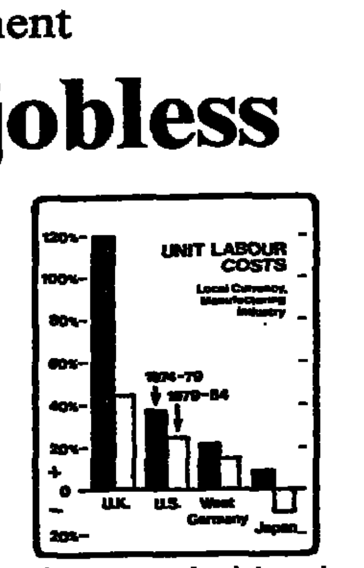
The White Paper compares experiences in other leading OECD countries with those of the UK. It notes that while there are major differences, "there is often a similarity of approach, particularly in the emphasis now placed on deregulation and increased flexibility in the labour market."

Generally, all countries in Western Europe have had to deal with rising unemployment, especially among the young. In France it is now over 9 per cent; in Italy 10 per cent; in West Germany about 8 per cent. In the U.S., by contrast, it has fallen from 10 per cent in 1982 to 7 per cent.

France has adopted some 30 measures, "shaping labour supply, encouraging work sharing and influencing labour costs and recruitment" the White Paper says. A scheme for early retirement has been radically trimmed, and another scheme encouraging further reductions in the working week to 39 hours has been modified."

"Deregulation is now at the centre of French employment policy and the increased emphasis on training young people with employers is part of an approach based less on state-funded programmes and more on a participative effort with the social partners."




In Italy, there is no programme specificially designed to help young people after leaving school. There are measures to relieve unemployment among the young, however, and agreement is apparently imminent between the social partners that initial pay should be reduced to stimulate recruitment.

The "formal" economy has mounting unemployment – but the Italian "informal" or "black" economy is large and acts as "a safety valve," the White Paper says. Italian policy continues to place importance on the maintenance of jobs in the public sector.

In West Germany, the Government has found firmly in favour of a more flexible labour market. The Government announced last August a "range of adjustments to relax labour legislation and stimulate employment." The long metal workers' strike last year reduced the working week, and employers and unions have since agreed to introduce more flexible arrangements on working hours.

There is a large government-funded training scheme giving the 1.7m entrants to the labour market a two-year course on-and-off the job.

In the U.S. the Administration's "approach to unemployment stresses the job creation potential of free and flexible product and labour markets," the White Paper comments. The only relatively large-scale programme is based on the Job Training Partnership Act.

*Employment, the Challenge for the Nation; CMND 9474; HMSO, £3.75.*

# BSC to close billet plant

**By Ian Rodger and Nick Garnett**

BRITISH STEEL plans to close its engineering steel works at Tinsley Park, Sheffield, with the loss of about 800 jobs.

The closure is the latest in a series of contractions in UK engineering steels, and reflects a sharp decline in the demand for them mainly from motor component makers.

BSC, the larger of the two remaining producers in the sector, said further retrenchment was needed because "the continuing under-utilisation of existing works, together with the sharp escalation in cost of materials, fuels and services indicate continuing losses through the medium term."

BSC has three engineering steel works in the Sheffield area, and it proposes to transfer work from Tinsley Park to its Stocksbridge and Aldwarke-Templeborough plants, thereby improving their efficiency. The billet mills at the three sites are now working only 10 shifts a week, less than 70 per cent of their capacity.

The proposed closure at Tinsley Park, which would come after consultations with the trades unions concerned, includes two electric arc furnaces and a billet mill with manned capacity of about 400,000 tonnes a year, 16 per cent of UK capacity. Of the 1,100 employees affected, BSC expected there might be jobs for about 300 people at the other sites.

BSC said the closure had no effect on the planned merger of its engineering steel business with that of the other UK producer, Guest Keen and Nettlefolds (GKN). Nor would it affect the Tinsley Park bar mill or the other BSC business steel and springs, on the same site.

The Tinsley Park site had been identified for closure because it was possible to transfer activity to the other two plants without affecting customer needs.

Aldwarke-Templeborough had to be maintained because of its large capacity and both it and Stocksbridge have modern continuous casting machines. Tinsley Park has not.

BSC said the closure proposal reflected its determination "to retain its present position among the leaders in Europe and the rest of the world and to remain a competitive source of engineering steels serving UK manufacturing industry."

The closure of Tinsley Park probably brings to an end the long and depressing series of large closures in the UK engineering steels sector.

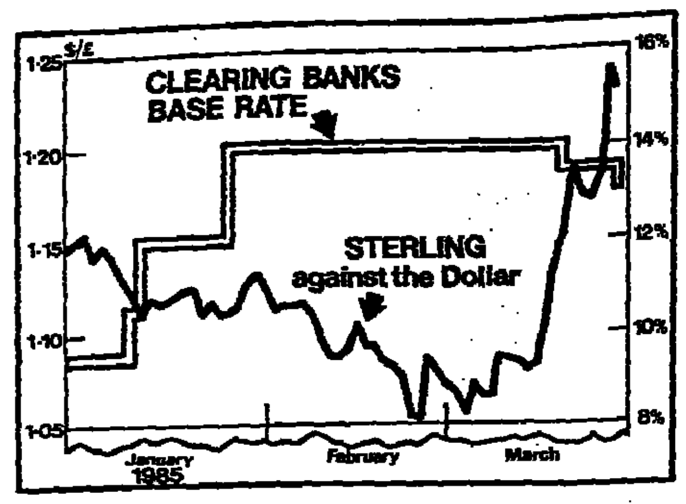
However, it does not provide much guidance on the outcome of the equally long discussions on merging the BSC and GKN businesses in the sector.

Talk about rationalising the engineering steels sector began in the late 1970s when it became apparent that the main markets for the products, notably the vehicle industries, were unlikely to recover their former volumes.

However, before the discussions could get very far, the recession of 1980 sent demand on a new and dramatic downturn.

**Philip Stephens** looks at the background to yesterday's cut in borrowing costs

# Caution remains the watchword




STERLING's dramatic climb against both the falling dollar and against European currencies finally brought the Bank of England's assent yesterday to another cut in bank borrowing costs.

The ½ point cut in base rates means that – at 13 per cent – they are now one point lower than before last Tuesday's budget.

That fall, however, still leaves the cost of credit at its highest level for nearly three years and seems relatively modest when set against sterling's recent performance.

Since Mr Nigel Lawson, the Chancellor of the Exchequer, sat down after his budget speech on March 19 the pound has appreciated by about 5 per cent against all currencies and by a startling 9 per cent against the dollar.

Talk of pound-dollar parity has given way to speculation that sterling's downward trend over the last few years might have been decisively reversed, and a rate of $1.50 may be in sight.

Without the Bank's restraining arm the money markets might well have pushed rates down to nearer 12 per cent in response to the pound's recovery. After all, it was a smaller drop in sterling's value which pushed rates up to by 4½ points to 14 per cent in January.

So why have the Treasury and Bank of England been so reluctant to encourage a development which could be expected to give a further boost to economic growth and jobs query. The first and most obvious answer is the salutary effect of January's debacle.

The political flak and loss of confidence in financial markets which accompanied the panic measures to defend the pound have left an indelible mark. Mr Lawson's budget was framed very much with that experience in mind. It was designed above all to re-establish the credibility of the Government's anti-inflation strategy.

It is against that background that the authorities are unwilling to see interest rates come down rapidly until they are sure that there is no risk of another sterling crisis which could necessitate another damaging about-turn.

They are well aware that although the dollar appears to be showing most of the signs of a decisive reversal, there have been similar interludes in the past which have been followed by a further surge in the U.S. currency's value.

There is also a question of tactics. Much of the loss of confidence in the Government's financial policies last year was attributed to the perception that it would take every opportunity to push down interest rates without regard to the consequences for sterling and for inflation.

Now if rates are going to fall the Bank of England wants to appear to be acceding reluctantly to market pressures.

But this tactical caution is not the whole story. With the Treasury's forecasters expecting inflation to rise to an annual 6 per cent in the summer before falling back to 5 per cent at the end of the year, there is also real concern about the need to get a firmer grip on the growth of the money supply.

Sterling M3, the broad and most closely watched measure, has been growing by an annual 9½ per cent, above the 6 to 9 per cent target range set in the budget for 1985-86.

The Bank, in particular, has been worried by the explosive growth of bank lending which has been rising by over £1.5bn a month since last autumn and has created severe difficulties for the control of sterling M3.

The overall message yesterday, however, was that caution remains the watchword. Further rises in sterling's value might allow small cuts in base rates over time.

# Machine tool group drops Herbert name

**By Andrew Fisher**

TI MACHINE Tools, which has revamped its management in an attempt to end heavy losses, booked a 50 per cent jump in new orders in the first three months of 1985 compared with the same period a year ago. It has also dropped the Herbert name, one of the industry's best-known, from its product range.

February's order intake was £3m, "our best month for many years," said Mr John Wareing, the new managing director of the TI subsidiary. TI has mentioned machine tools as a loss making division from which it seeks a return to profit. Latest government figures have shown a continuing rise in orders for the industry from a low level after the recession.

This year was unlikely to see a return to the black Mr Wareing said. "There is a very good chance and a good opportunity for a return to trading profit in 1986," he added. The first three months saw new business worth £8.25m, of which exports accounted for about 20 per cent. The company has also just won a £900,000 order for a flexible manufacturing system (FMS).

The dropping of the Herbert name – TI took over the product range of the former Alfred Herbert lathe group in 1983 after its demise – was decided on to help simplify the company's market and product image with customers. The products will be sold under the Churchill name.

TI Machine Tools, the UK's largest CNC lathe builder, also intends to push deeper into the U.S. market.

# MPs urge security watchdog

**BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT**

THE GOVERNMENT will come under heavy pressure next week to agree to the setting up of an independent commissioner to investigate complaints by members of the security services MI5 and MI6 about alleged misconduct and abuse of authority within these services.

Some of the most senior Tory backbenchers, including Sir Edward Gardner, chairman of the home affairs select committee, and Sir Anthony Kershaw, chairman of the foreign affairs committee, have tabled a clause to this effect for debate in the committee stage of the Bill to regulate telephone tapping.

As this is a constitutional Bill the committee stage is to be taken on the floor of the House of Commons next Wednesday.

The clause provides for the appointment by the Prime Minister of "a person who holds or who has held a high public office" to investigate complaints in relation to telephone and mail interception and, if he considers it necessary, to report to the relevant Secretary of State.

This reflects concern on both sides of the house in the wake of allegations by a former MI5 officer, who claimed in a recent television documentary that the security services were operating in breach of their own rules.

Under the Bill, a commissioner would initially deal only with complaints relating to interceptions. Those sponsoring the new clause hope that the scope of his functions would later be widened to include all complaints of alleged misconduct.

Mr Leon Brittan, the Home Secretary, has so far resisted proposals for an independent complaints authority. During the second reading of the phone-tapping Bill, he insisted that dealing with complaints was a proper function of senior management within the security services.



# Three FT journalists win press awards

**FINANCIAL TIMES REPORTER**

THREE Financial Times journalists have been recognised in the annual British Press Awards announced yesterday. They are: Mr John Lloyd, Industrial Editor, Mr Colin Amery, architecture critic; and Mr Jurek Martin, Far East Editor.

Mr Lloyd was named as Specialist Writer of the year for "his brilliant coverage of the miners' strike." The judges remarked: "Often critical of both miners' leaders and the coal board, he was never hostile or biased, and his gift for clarifying a complicated issue never lapsed into oversimplification. It was a superb piece of sustained reporting on the most important running story of the year."

That follows Mr Lloyd's recent success in Granada TV's What the Papers Say awards, when he was selected Journalist of the Year.

Mr Amery's "most striking contribution to the hitherto rather neglected field of architecture criticism" earned him the title of Critic of the Year. The judges were impressed by his background knowledge, finding his style pungent and his opinions trenchant.

The David Holden Award for journalists working overseas went to Mr Martin for his wide-ranging coverage of Far East affairs.

The judges commented: "Japan is a difficult country to report but Jurek Martin does it with wit and insight. With skilful selection of subject matter, he observes the confused and complex strands of life, both private and public, among the mass of the Japanese people."

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# Profits' increase outstrips rise in living standards

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

COMPANY profits rose by nearly three times as much as personal incomes last year, even though living standards increased at the fastest rate for six years.

Figures from the Central Statistical Office (CSO) yesterday showed that personal disposable incomes rose by 7½ per cent last year, representing a rise of 2 per cent in real terms. This was the highest since 1979.

Separate figures, also from the CSO, showed a 22 per cent rise in companies' gross trading profits, after allowing for the appreciation of stocks. Income earned from abroad rose by 18 per cent. Dividends were raised by 16 per cent and undistributed income increased by 24 per cent for the year as a whole.

The figures showed some small reduction in the total profits earned by non-North Sea oil companies in the fourth quarter of 1984 compared with the third quarter, even though profits were well up on the figure for the third quarter of 1984.

The 22 per cent rise in gross trading profits last year followed rises of 20 per cent in 1983 and 18 per cent in 1982.

Personal incomes showed an accelerated growth in the final three months of 1984, with total personal income rising by 4 per cent compared with the equivalent period in 1983, after growth of 1 to 1½ per cent in the previous three quarters.

Between the third and fourth quarters, real personal disposable income rose by 2½ per cent. By the end of last year real living standards were 5 per cent higher than in 1979.

The rise for those who have remained in work was considerably greater than this, offset by the lower living standards of those out of work.

For 1984 as a whole, wages and salaries rose by 6½ per cent. It is officially estimated that but, for the effect of the miners' strike, this would have been 7¼ per cent.

Total government benefits, including pensions payments and unemployment benefits, rose by 8 per cent in 1984 or 3 per cent in real terms. However, this real rise represents an increase in the number of beneficiaries, since most benefits went up by about the rate of inflation.

The personal income figures show some rise in the proportion of income allocated for saving to 11.5 per cent last year.

# Labour to strive for efficient election machine

NEXT TUESDAY, the Labour Party launches a three-year campaign to get itself into shape to fight the next general election. The Jobs and Industry Campaign is also intended to establish Labour in the public eye as the party capable of doing something about unemployment, which all its private polling indicates is still the overriding issue of public concern, *Margaret Van Hattem* writes.

Above all, the campaign is aimed at training party members to become part of a disciplined, efficient machine capable of overtaking the polished operation of the Conservative Central Office.

It will seek to capitalise on the energy and organisation that grew out of the recent coal dispute. But it is also, perhaps, an attempt by the parliamentary leadership and party headquarters to channel those energies and to reassert control over the party as a whole.

That the initial emphasis is to be on organisation, rather than on policy, is evident from the campaign documents that have been issued from the party's headquarters in recent weeks. They include detailed instructions and suggestions about the nuts and bolts of running a campaign. But on policy, the papers are, perhaps deliberately, vague.

The campaign pack sent to all constituency parties gives a great deal of advice on using the media ("if you can find a sympathetic journalist, this can be an enormous advantage"); organising a publicity stunt ("don't expect the photographer to balance on one leg at the top of a ladder") and raising funds.

Since the media tend to treat politics as a form of entertainment, it advises, a single stunt can achieve more than "weeks of serious political work." Members are not to worry if the ideas they come up with "seem a little crazy." They might, it suggests, "rent a market stall and put up a mock signing-on booth with someone wearing a Thatcher mask behind it."

The campaign advice is, however, very thin on policy material, containing only a brief statement from Mr Neil Kinnock the Labour leader, under the slogan Britain Can Work. It talks in broad terms of "putting the construction industry back to work" and "investing North Sea oil revenues in modern transport, communications and services."

Meanwhile, the party's jobs and industry committee, chaired by Mr John Evans and including the two leaders of the campaign – Mr John Smith, trade and industry spokesman, and Mr John Prescott, employment spokesman – will prepare policy documents that will take the campaign further. Once those are approved by the conference, the first of many campaign launches will take place.

# BBC inquiry in hands of liberal economist

BY RAYMOND SNODDY

"I'M BEING portrayed as some sort of hired gun. I don't recognise myself in that description," Professor Alan Peacock says in a gentle Scottish accent.

The economics professor with an abiding interest in public finance, the relationship between the public and private sector and the complex bargaining processes that link them is about to add his name to broadcasting history in the UK.

It was only a few days ago that Prof Peacock, half-time research professor at Edinburgh's Heriot-Watt University, was called by Mr Leon Brittan, the Home Secretary, and asked to chair the inquiry into the future funding of the BBC.

Peacock: 'glutton for punishment'

"I must be a glutton for punishment," says Prof Peacock, who was a member of the Fowler Committee on pensions. This will be his first chairmanship of a major government committee.

He is clearly a man of independent mind who sees himself as a classical liberal economist in the tradition of Adam Smith, sympathetic to some of the ideas of monetarism but not to its more rigid exponents.

"In politics I am an independent Whig," he says, adding that he has voted for all the main parties in his time and that his choice has been governed more by the quality of the local candidate than party manifestos.

Prof Peacock has had a distinguished academic career which has included a three-year spell as chief economic adviser to the Department of Trade and Industry and vice-chancellor of the independent University of Buckingham.

His interest in music – he plays the piano and viola – is the one area which brought him in contact with the world of broadcasting. In 1970 he was chairman of an Arts Council inquiry into orchestral resources.

"The cover was peacock blue and we were very complimentary to the BBC," says Prof Peacock, although he remembers there was a certain BBC insensitivity to the needs of other orchestras.

He is already aware of the complexity of the task that faces him. He is convinced that changes to one sector of broadcasting such as the BBC will inevitably have effects on the rest and also on the economics of newspapers.

Prof Peacock believes that the terms of reference have been drawn widely enough to allow an open and independent inquiry. The inquiry will be taking evidence from those who wish to submit it and it may be given orally.

The outcome is likely to be a review of a range of options together with an assessment of advantages and disadvantages.

● The commercial local radio stations have asked the Government to set up a thorough review of all radio in the UK as a matter of urgency.

The Association of Independent Radio Contractors (AIRC), which represents all 48 independent local radio stations, wants a review by a small committee because of all the changes now under way.

# Shipbuilding revenue warning

BY OUR BELFAST CORRESPONDENT

MR JOHN PARKER, chairman and chief executive of Harland & Wolff, the state-owned Belfast shipyard, yesterday gave a warning that shipbuilders would have to wait longer than expected for improved revenue from the sale of new merchant ships.

He said a written study by the company's market research team had shown that the price war between Japan and South Korea over the past two years had led to a price drop in the region of 30 per cent in U.S. dollar terms for many new ships.

If informed reports were correct, these prices had led to all major Korean shipyards making losses in the present year.

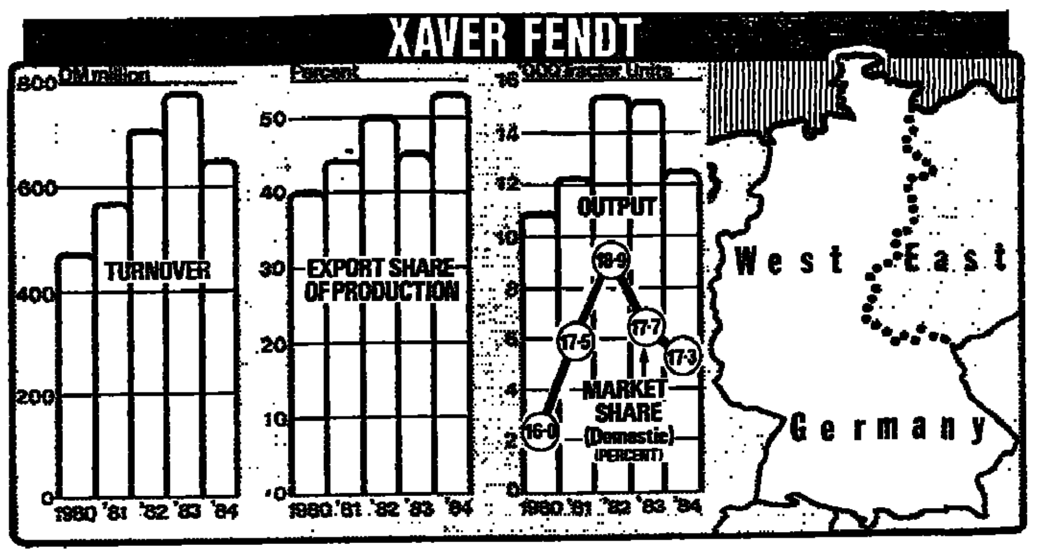
He was speaking at the naming of a refrigerated cargo ship being built in Belfast for the Blue Star Line. He said that shipbuilders and shipowners faced similar problems in the present market conditions.

# THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

# The importance of being 'different'

**Peter Bruce explains how Xaver Fendt competes with giants in the West German tractor market, despite its small size**




YOU CAN almost see it coming. For most of this year, Xaver Fendt & Co, a small Bavarian-based tractor producer, will take the lion's share of the West German market, once again impressing the industry with its ability to hold off some of the biggest names in the business.

Then Cologne-based Klöckner-Humboldt-Deutz (KHD), the world's sixth largest tractor manufacturer, will engage in what could most politely be called a sales drive, double its average market share in December, and emerge once again as the country's overall market leader.

KHD and Fendt have finished first and second in the West German tractor market for the past two years in succession. KHD, which took an average 18.8 per cent share last year, won 32.4 per cent in December. In December 1983 it stole an average 35.1 per cent of the market, enough to drag its annual average up to 19.1 per cent.

These end of year gymnastics by KHD, which probably have something to do with the fact that the group's financial year also ends in December, amuse some people in the industry. Although he betrays only the most enigmatic facial twitch at their mention, it is probably safe to assume they also amuse Heinz Ahrens, Fendt's chief executive. Being number two, he says, "doesn't worry us," but, he adds, "we are small, and it is more important to be different."

Fendt is, in fact, so small that it normally does not even feature among the top 10 market leaders of any other EEC member country. Its turnover of some DM650m (£171m) a year is about half of KHD's tractor division alone.

Like many manufacturers of its size in West Germany, Fendt is family owned. Balance sheets and profit and loss accounts are a closely guarded secret but Ahrens says the company ended 1984 in the black despite a 21 per cent fall in unit sales and a 20 per cent drop in turnover from a record DM 779m in 1983.

The total West German tractor market dropped 31 per cent to 34,773 units last year and Fendt's ability to survive a roughing up like that is something new. Four years ago it was in deep trouble and losing money in a far less turbulent environment.

That was when the company's bankers, the ubiquitous Deutsche Bank, stepped in. The ageing Fendt brothers were persuaded to get out of management and the Deutsche Bank recruited Ahrens, himself a former banker, as chief executive.

Dealing with the Fendts, who had lost their influence over the company after founding it nearly 50 years earlier was difficult at first, Ahrens admits, but a little diplomacy on his part appears to have worked.

Ahrens, initially with two other senior recruits (who have since left Fendt) set about a fairly dramatic remoulding of the company, which completely dominates the small Allgäu town of Markt Oberdorf in southern Bavaria.

A machine tools business and a small forklift truck production line were losing money and were quickly shut down. The company still distributes Nissan lift trucks and has continued to produce caravans, a DM35m a year business that has the Ahrens axe poised above it should it fail to perform.

Ahrens also cut Fendt's tractor range, began contracting out the production of parts that cost too much to make in-house, and cleared all short-term debt. He has deliberately not tried to squeeze stocks, although he says the spare parts business is poor. "We can fly out spares the same day (they are ordered)," he says. "It's expensive but important."

Ahrens is also spending some DM 10bn a year now installing flexible manufacturing systems in the Markt Oberdorf plant as part of a long-term effort to whittle away production dependence on cost-inefficient fixed transfer lines that still, however, account for about 75 per cent of major machining.

For all the new strengths that Fendt has found under Ahrens, he is the first to admit to being slightly lucky. The Fendt brothers, for instance, had been thought somewhat extravagant when they built a DM 25m research centre in 1980; Ahrens now insist it has proved to be a "very important investment." Typical of many of the medium sized German family companies, the Fendts had also consistently ploughed their profits back into the business.

Despite being held at least partly responsible for the group's losses before and after the tractor market fell away in 1980, the Fendts have also left the new management a legacy of an *astonishingly loyal* customer base.

More than 80 per cent of Fendts tractors sold in West Germany are bought by co-operatives — dealerships that themselves have intensely close relationships with the country's clannish farmers. The Munich-based Baywa co-op, after 50 years of dealing with Fendt, virtually assures the company of an unbeatable 25 per cent market share in Bavaria, probably the most heavily farmed state in the country.

"We have not had a bad debt in the last four years," says Ahrens, who clearly relishes the fact that the co-operatives that buy from Fendt now account for around 30 per cent of total West German sales, and that share is growing.

Many patriotic Bavarian farmers, like their Mercedes- and BMW-fixated urban cousins, would not be seen dead in a foreign tractor anyway, and Fendt, which likes to think of its product as much more sophisticated than its rivals', feeds that prejudice with gusto. The company has traditionally priced its tractors some 10 to 15 per cent higher than direct competitors, although Ahrens concedes that current strong price competition in the market tends to trim profit margins.

Fendt has already taken an early lead this year over KHD in the domestic market, gaining 18.7 per cent to the Cologne producer's 16.4 per cent in January and February. Although the total market is down 8.1 per cent on the same time last year, Ahrens says he is likely to make money in 1985.

Exports, which have grown from 40 per cent of total production in 1980 to 53 per cent last year are still spread fairly thinly around the world but are probably large enough now to act as a buffer to domestic market fluctuations provided these are not too dramatic.

Largely because Fendt's strengths lie in bigger, sophisticated mchines, Ahrens, who is predicting an even stronger export growth this year, will not have to become embroiled in the near ruinous price-cutting at the smaller end of the international market.

The company has already won 40 per cent of the growing Saudi market, largely by successfully selling its tractors as the Rolls-Royce of the breed. Rich farmers in Australia, where Fendt had never ventured until three years ago, bought 300 tractors last year. The British, destined to become the targets of a strong Fendt push in the next year or so, bought 200 machines in 1984.

While these moderate successes may build up into the swell Fendt management dreams about, Ahrens is preparing to tackle what could be his most challenging problem since moving to the Allgau. KHD, besides being a constant threat in the market, has just bought control of Fendt's major engine supplier, Motor-Werke-Mannheim (MWM), from the troubled Knorr Bremse group.

MWM supplies 80 per cent of Fendt's engines, and with the rest already sourced from KHD the potential threat is clear. Ahrens, however, says he sees no immediate danger of KHD trying to squeeze Fendt on engine prices but, he admits with a shrug, "we are looking around."

Ahrens, like most tractor manufacturers, has a constant stream of hopeful engine suppliers beating a path to his door anyway and in the unlikely even of KHD not being aware of that, it seems certain they would be "informed." Fendt would have to be careful, though, about changing engines. Those Bavarian farmers are as attached to the growl of a good German diesel engine under the bonnet as they are to the reassuring Fendt logo on the front.

# Why 'golden parachutes' should be curbed

"GOLDEN PARACHUTES"—generous compensation packages for senior executives of public U.S. companies forced to leave under duress—are getting a bad name. If shareholder resentment and restrictive government regulations are to be avoided "rigorous corporate self-monitoring" of such deals is required to curb the scale of compensation packages which in recent years have been running into millions of dollars.

This is the message of an article in the latest issue of the Harvard Business Review*. The author, Peter G. Scotese, chairman of the executive committee of the board of Springs Industries Inc, and a current or former director of nine other companies including Bell and Howell, puts forward a code for "golden parachutes."

All existing golden parachutes should be eliminated if their value exceeds 2½ times the recipient's current annual salary, including deferred payments and bonuses, he says.

Additionally, no parachute should be given to a chief executive officer or key executves if the company's return on investment has underperformed the industry average over the previous five years. And CEOs and other directors should disqualify themselves from active negotiation on tender or takeover offers if their equity and other interests would be materially improved by the transaction.

Finally, "in the event of a take-over in which an executive's job is forfeited, new management should honour all benefits under existing employment contracts through their current termination period or for three years, whichever is greater."

Some golden parachute payments have been spectacular—for example, David J. Mahoney received a $35m package from Norton Simon, while a little further down the scale William Agee received $4.1m from Bendix and Ralph Baily ended up with $4m from Conoco.

Scotese maintains that the idea of compensation packages worth many times annual salary raises a simple question: "Why reward an executive so generously at the moment his or her contribution to the company ceases? The approach flies in the face of the American work ethic, which is based on raises or increments related to the build-up of seniority and merit. When an employee departs, seniority and merit come to an abrupt end."

First appearing on the corporate scene in the early 1970s, golden parachutes became much more prevalent with the resurgence of takeover activity in the early 1980s. In 1982, some 1,500 companies introduced golden parachutes into their bye-laws and charters, says Scotese. And a 1983 survey of 560 of the Fortune top 1,000 companies by Ward Howell International identified that over 25 per cent had top-echelon parachutes, compared with 15 per cent the previous year.

Scotese's view of parachutes is that they "differ markedly" in content and intent from other forms of executive compensation. Traditonal employment contracts are highly effective in attracting, retaining and rewarding capable top executives. "In sum, they are retention oriented. Golden parachutes, in contrast, are departure orienteda wholly different ball game."

The "triggers' for a golden parachute package differ from company to company, with the standard for a "change in corporate control" varying. Some companies use a percentage of outside stock ownership (usually 20 to 40 per cent), points out Scotese. Others focus on the composition of the board.

"Many arrangements allow beleagurered executives to pull their own rip cords following redistribution of stock ownership or the realignment of executive responsibilities. Others are set up so that once the company candidate, a tender offer or the accumulation of stock by outsiders becomes an acquisition through other means (friendly or otherwise) can trigger the chute," says Scotese.

In the context of the current unrest about parachutes, Scotese points out that the "uprising" is in fact atypical of shareholders who generally are a "docile group." But he says that trouble arises when executives seek to multiply their just rewards and ensure that they keep on coming at a time when they no longer contribute to the running of the business, because they have lost their jobs, and "shareholders justifiably feel they have a right to question it—as they are doing."

Scotese is scathing of those who defend golden parachutes. Arguments in favour of such deals "attempt to legitimise giving million-dollar bribes to executives for doing what they were paid to do any way. The parachute protagonists, moreover, presuppose a readiness—if not an outright alacrity—on the part of CEOs to place their own interests ahead of the shareholders. While this may be a keen observation about human nature in general, I believe that it maligns most American chief executives."

Integrity, says Scotese, cannot be bought. The best defence against excesses such as golden parachutes is a company's culture "and the quality of the people it employs." If little or nothing is done "we will have legislation and regulations that are harmful, restrictive and punitive—and they will be richly deserved."

* *"Fold up those golden parachutes," Reprints service, HBR March/April 1985, Boston, Mass. 02163 U.S.A.*

## Business courses

A SERIES of evening seminars on design management in top British companies is to be held in London in April and May. Organised by the Design Management Group of the Society of Industrial Artists and Designers (SIAD), and sponsored by the Department of Trade and Industry, the series will cover four different industries: April 23, Cars (senior executives from Austin-Rover, Jaguar, Ford plus DTI minister); April 30, Textiles (Carpets International, Courtaulds, Jaeger, plus DTI minister); May 7, Information Technology (British Telecom, Logica, PA Technology, plus chairman of Design Council); May 21, Leisure (Granada, Trusthouse Forte, Wilkinson Sword, plus principal of Henley, the Management College). All meetings will be held from 6-9 pm, at Royal Society of Arts, John Adam Street, London WC2. Tickets £10 per evening from Ms Jillian Boden, SIAD, 12 Carlton House Terrace, London SW1Y 5AH. (Tel: 01-930 1911.) Attendance for full series at reduced prices—write for booking form.

# THE ARTS

## Arts Week

| F | S | Su | M | Tu | W | Th |
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| 29 | 30 | 31 | 1 | 2 | 3 | 4 |

## Opera and Ballet

**PARIS**

**Wozzeck** is conducted by Christoph von Dohnanyi with Peter Gottlieb in the title role alternating with Soirée de Ballets. Paris Opera (742 57 50).

**Rameau's** Hippolyte et Aricie with William Christie conducting his baroque ensemble, produced by Pier Luigi Pizzi. Aricie is sung by Deniele Borst/Donna Brown; Diana by Veronique Dietschy/Marie Christine Porta. Salle Favart-Opera Comique (296 0611).

**Händel's** *Ariodante in co-production* between the Théâtre des Champs-Elysées' Milan La Scala and Paris Opera. Jean-Claude Malgoire conducts: Production is by Pier-Luigi Pizzi and choreography by Richard Caceres. Théâtre des Champs-Elysées (723 4777).

**Maurice Bejart** *and his XXth century* ballet follows the soiree Gustav Mahler/Pierre Henry with Notre Faust to Mass in B minor and Agnus Dei by Bach and Tangos Argentinos. TMP-Chatelet (233 4444).

**WEST GERMANY**

**Berlin, Deutsche Oper:** The new production of Siegfried, by Götz Friedrich, has René Kollo in the title role and Catarina Ligendza and Gottfried Hornik. (34 381).

**Hamburg, Staatsoper:** To commemorate Händel's 300th anniversary, Belshazzar is offered in a Harry Kupfer production featuring Walter Raffeiner, and Helen Donath. My Fair Lady has Gabriele Ramm as Eliza Doolittle and Boy Gobert playing Henry Higgins. The week's highlight is *Lohengrin starring* Peter Hofmann, Lisbeth Balslev and Eva Randova. (35 11 51).

**Frankfurt, Opera:** The week starts with Der Türke in Italien, conducted by Volkmar Olbrich. Aida, sung in Italian, is of respectable standard with Awilda Verdejo in the title role and Seppo Ruohonen. Benjamin Luxon repeats his much-praised performance in the title role in Don Giovanni. Fidelio rounds off the programme. (25 621).

**LONDON**

**Royal Opera, Covent Garden:** The revival of Don Carlos, which was to have been in the original French, has disappointingly turned into just another Italian-language Covent Garden showing for the now-ancient Visconti production. Luis Lima, Ileana Cotrubas, Bruna Baglioni (replacing the announced Tatyana Troyanos), Giorgio Zancanaro and Robert Lloyd takes the leading roles; Bernard Haitink conducts. Further performances of the new Barber of Seville, with Thomas Allen and Alicia Nafé. (240 1066).

**Royal Opera House**, Covent Garden: The Royal Ballet offers mixed triple bills.

**Sadler's Wells, Rosebery Avenue:** (278 8916). The Ballet Rambert season is followed by the Ballet de Montreal making its London debut with a quadruple bill (Tue).

**ITALY**

**Milan: Teatro Alla Scala:** Proust, Du Les Intermittences du Coeur (based *on Proust's* 'A la Recherche de Temps Perdu'). An evening of ballet by Roland Petit to music by Beethoven, Debussy, Faure and Cesar Franck. (80 91 26).

**Palermo:** Teatro Massimo (Politeama Garibaldi): Massenet's Werther conducted by Pierre Dervaux and directed by Giulio Chazalettes, sung by Margareta Zimmermann, Pierrette Delange, Alberto Cupido and Lorenzo Saccomani. (58 43 34).

**NETHERLANDS**

**Amsterdam,** Stadsschouwburg. Balanchine programme from the National Ballet. Apollon Musagete (Stravinsky), Tombeau de Couperin (Ravel), Theme and Variations (Tchaikovsky).

**The Netherlands Opera Production.** *La Belle Helène,* directed by Lotfi Mansouri, with decor and costumes by Thierry Bosquet. Breda, Stadsschouwburg (22 35 22).

**VIENNA**

**Staatsoper.** Fidelio conducted by Stein with Hass, Watson; Swan Lake choreographed by Nureyev conducted by Rabenstein with Stadler, Birkmeyer and Dirtl; Gounod's Faust conducted by Binder with Raimondi, Weikl and Stajnc; Die Frau Ohne Schatten conducted by Schein with *Hass*, Watson and Jones.

**Volksoper.** Britten's Beggar's Opera conducted by Bauer-Theussl; Lehar's Der Zarewitsch; Lehar's Das Land des Lachelns, Count of Luxembourg; The Barber of Seville; J. Strauss' Vienna Blood. (53 24/26 57).

**NEW YORK**

**Metropolitan Opera** (Opera House): Franco Zeffirelli's production of Tosca continues, conducted by Giuseppe Sinopoli, with *Hildegard* Behrens and Placido Domingo. Thomas Fulton conducts last season's new production of Ernani, starring Leona Mitchell, Vladimir Popov, Pablo Elvira and Paul Plishka. James Levine conducts the premiere season of Nathaniel Merrill's production of Porgy and Bess, designed by *Robert* O'Hearn, with sopranos Roberta Alexander and Marvis Martin, tenor Bernard Thacker and baritones David Arnold and Arthur Thompson. Lincoln Center (362 6000).

**TOKYO**

**Vienna Volksoper,** Kalman's Princess Czardas: 250-member company with soloists, Karl Donch, Adolf Dallapozza, Mellanie Holliday, Mirjana Irosch. Orchestra and chorus conducted by Rudolf Bibl. (Wed, Thur). *Tokyo Bunka* Kaikan. (262 7141; 571 1689).

## Theatre

**TOKYO**

**Love Call** (The Japanese version of Bells are Ringing), a musical comedy set in New York starring Akiri Fuse and Ran Ootori, Japan's most professional musical star. Geijutsuza, Yurakucho (*591 7633*).

**Chorus Line:** The Japanese version by the Shiki company, best-known for Cats, Japan's longest-running production (one year) and a sell-out. Nissei Gekijo, near Imperial Hotel. (320 4000).

**Hori Hiroshi Puppet Theatre.** Hori Hiroshi, *rising star of the* puppet world, is unique for Japan: self-taught, young, approved and supported by the arts establishment of elderly masters. This first major play, Sakura no Mankei no Shita (Under the Full-Blown Cherry Blossoms) is a seasonal piece. Big names *involved include narration* by Kayoko Shiraishi, and the actress Waseda Sho-gekijo (who is due to play the lead in the Trojan Women at the Riverside, London in early April). The play, in which puppets and actors will combine, is based on a grotesque tale by early 20th century *novelist and poet,* Sakabuchi Ango. A traveller is killed and his wife abducted from which point the story focuses on the wife's macabre taste and the outcome when one day she is taken cherry-blossom viewing. Hakuhinkan Theatre, Ginza. (791 0474).

**WASHINGTON**

**Much Ado About Nothing** (Folger): A recent reprieve on plans to close the theatre only coincidentally reflects the exuberance of this production, with its 1930s shipboard setting and interjection of such songs of the period as Night and Day. (546 4000).

**My One and Only** (Opera House): Tommy Tune teams up with Sandy Duncan for the road show of this disguised version of Funny Face, featuring the Gershwin tunes with new book and look. Kennedy Center (254 3770).

**Henry IV, Part I** (Eisenhower): The first production of Peter Sellars' tenure as director of the American National Theatre Company is bound to be interesting, if not controversial. (254 3670).

**Tartuffe** (Arena): Lucian Pintilie's striking production brought from the Guthrie in Minneapolis turns Tartuffe into a miracle-making Christ-like imposter surrounded by three centuries of civilized excesses. Ends April 14. (488 3300).

**LONDON**

**Noises Off** (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

**Starlight Express** (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

**On Your Toes** (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834).

**42nd Street** (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108).

**NEW YORK**

**Cats** (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

**42nd Street** (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

**Torch Song Trilogy** (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, *down to the confrontation* with his doting Jewish mother. (944 9450).

**Dreamgirls** (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, à la Supremes, without the *quality of their music.* (239 6200).

**Brighton Beach Memoirs** (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisation has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

**A Chorus Line** (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years *but also* updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

## Exhibitions

**LONDON**

**Renoir** – a survey of the life's work of the artist who, more than any other, has come to be seen as the quintessential Impressionist. Yet this easy labelling is now shown to be a gross and misleading over-simplification. In Renoir, once the label falls away, we find a wonderfully instinctive painter, aware of what his fellows were doing and responsive to it, but never the creature of theory, analysis *or programme.* The later works, hitherto considered so difficult, stand as major works in their own right. Organised by the Arts Council and sponsored by IBM, this fascinating and beautiful show goes on to Paris, where it will be much extended, and to Boston. Ends Apr 21.

**The Tate Gallery:** St Ives – nominally a survey of the painting, sculpture and ceramic art to have come out of farthest Cornwall between 1939 and 1964, but really extending its scope from the early 1920s up to almost the present day. Ben Nicholson and his wife Barbara Hepworth are the central figures, also the early naive painter Alfred Wallis. Of the later generation, Peter Lanyon, Roger Hilton, Terry Frost and Patrick Heron appears as major figures. Ends Apr 14.

**PARIS**

**Hans Holbein the Younger** (1497-1543): Thanks to the acquisitions by Louis XIV, the Louvre boasts one of the richest and rarest collections of the court painter of Henry VIII. Five of his masterpieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of equally prime importance. The exhibition is completed by paintings from the royal collections thought, mistakenly, to be by Holbein. Louvre, Pavillon de Flore, Porte Jaujard (260 3926). Closed Tue, Ends April 15.

**Cubist Engravings.** The great names of the movement, Picasso, Braque, but also Delaunay, Villon, Marcoussis, are assembled under the benevolent gaze of Guillaume Apollinaire. Some of the works are powerful, where a human shape emerges from the puzzle. Others, on yellowing paper, seem touchingly small, intricate and introverted. Berggruen Gallery, 70 rue de l'Université. (222 0212). Closed Mon. Ends Apri 30.

**WEST GERMANY**

**Berlin,** Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition *of Antoine Watteau* to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the show. The French rococo painter often used poor quality colours, therefore many of his paintings are in a bad condition and have not been displayed before. The exhibition includes 73 drawings and 143 paintings. Ends May 25.

**Düsseldorf,** Kunsthalle Grabbeplatz 4: The early Rhineland Art between 1918-1945. Until the mid-1920s Düsseldorf dominated the renewed cultural life of the entire Rhineland. Among the artists are von Nauen, Campendonk, Klee, Zschokke, Matare, Moll, Schnurr, Flechtheim, *Ernst, Dix and Wollheim. One part* focuses on problems of immigrants and cultural life under the Third Reich. Ends April 8.

**BRUSSELS**

**Palais des Beaux Arts:** Felicien Rops – drawings, paintings and watercolours – a mixture of the macabre and erotic, skeletons and sex. Ends Apr 28.

**ITALY**

**Venice:** Museo Correr: Cezanne, Monet, Renoir, Van Gogh, Gauguin, Matisse and Picasso from the Hermitage in Leningrad and the Pushkin in Moscow. Ends April 14.

**Naples:** Museo di Capodimonte: 'Naples in the 17th Century': for lovers of Baroque. *An exuberant* exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

**Herculaneum** (Naples) Villa Campolieto: An exhibition entitled Terrae Motus – of modern paintings which are the beginnings of a new contemporary arts centre here: works by Warhol, Pistoletto, Beuys, Mapplethorpe, Twombly and Haring. Until April.

**NETHERLANDS**

**Amsterdam.** Stedelijk Museum. La Grande Parade (named after the painting by Léger) is a feast of highlights in international painting after 1940. Forty artists are represented with 250 works loaned from all over *the world.* The *show is designed* as an encounter between the late creations of patriarchs like Matisse, Picasso and Braque and works by the outstanding representatives of subsequent generations (De Kooning, Bacon, Pollock, Giacometti, Rothko and many others). Theory, for once, takes second place, leaving the art to speak for itself. On the ground floor is an impressive gallery of photo portraits of the artists exhibited. Ends April 15.

**Amsterdam,** Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum provides a comprehensive survey of the "Dutch identity" in art since 1945: from Cobra and the Informal Group, via Zero and conceptual art, to the New Realists and the exuberant *expressionism of the emerging generation.* Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

**VIENNA**

**Adolf Von Menzel:** A rare chance to see drawings and watercolours by the 19th century Prussian master. This selection from the Berlin City Museum shows Menzel's work in all its eclectic vitality. Idealised historicism gives way to a vibrant naturalism as *images of fallen soldiers,* French prisoners of war or of an officer guzzling at a court ball, record aspects of the Empire of Frederick the Great. But it is the spare charcoal sketches of working men and peasant houses that have greater impact than the shadowy emperor and neat theatre parties. Albertina. Ends Apr 8.

**NEW YORK**

**Treasures from the New York Public Library:** 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

**WASHINGTON**

**National Museum of American Art:** 49 works by five 19th century black *artists highlight a show of a little*-known area of American art. It reminds the world of Joshua Johnson, the first recognised black American portrait painter; Henry Ossawa Tanner, a student of Thomas Eakins and neo-classical sculptress Edmonia Lewis. Ends April 7.

**TOKYO**

**Leonardo da Vinci Nature Studies:** 50 drawings on loan from the Royal Library at Windsor Castle concluding a travelling exhibition in Europe, U.S., and Australia. The exhibition has been designed by Paul Williams, designer of the Renoir at the Hayward Gallery, London. Seibu Museum of Art, Seibu Department Store, Ikebukuro. Ends May 12.

**Japan a Hundred Years Ago:** Photographs from Edward S Morse Peabody Museum Collection. A superb documentation of pre-modern Japan capturing town and country life touched up with colour for more realistic impression. Tobacco and Salt Museum, Shibuya. The location, a bustling and fashionable area for the affluent young, exemplifies the remarkable changes Japan has undergone in the last century. Ends May 6.

## Music

**WEST GERMANY**

**Berlin,** Philharmonie: Ivo Pogorelich, piano. Schumann, Prokofiev and Chopin (Tue).

**ITALY**

**Verona:** Teatro Filarmonico: Carmina Burana by Carl Orff conducted by Vladimir Delman with the soprano Gabriella Ferroni. Maurizio Comencini, tenor and Franco Sioli, baritone (Tue). (22 880).

**Rome:** Teatro Olimpico (Piazza Gentile da Fabriano): Recital by Ruggero Raimondi, accompanied by Ronald Schneider. Beethoven, Mozart, Bellini and Ibert (Wed). (39 33 04).

**Rome:** Auditorium Via Della Conciliazione: Georges Prêtre conducting Berlioz's Romeo and Juliet (with soloists, choir and orchestra). (Mon and Tue). (654 1044).

**LONDON**

**Allegri/Robles Ensemble** with Marisa Robles, harp. Ravel, Debussy and Mozart. Queen Elizabeth Hall (Mon). (928 3191).

**BBC Symphony Orchestra** conducted by Sir Charles Groves with Ralph Kirshbaum, cello. Bliss, Elgar and Walton. Royal Festival Hall (Mon). (928 3191).

**Royal Philharmonic Orchestra** conducted by Kurt Masur with Igor Oistrakh, violin. Elgar and Tchaikovsky. Royal Festival Hall (Tue).

**Amadeus Quartet:** Mozart and Haydn. Queen Elizabeth Hall (Wed).

**London Symphony Orchestra** conducted by Claudio Abbado. Mahler, Berg and Debussy. Barbican Hall (Wed). (638 8891).

**Royal Philharmonic Orchestra** conducted by Kurt Masur with Cecile Ousset, piano. Brahms and Schubert. Royal Festival Hall (Thur).

**Festival des Instruments Anciens:** Bach St Matthew Passion, Amsterdam Baroque Orchestra conducted by *Ton Koopman (Mon); Bach* sonatas for viola de gamb and harpsichord (Tue): Schubert Lieder, John Elwes, tenor (Wed). Hôtel de Coulanges, 35 rue des Francs Bourgeois (353 2983).

**Forum de la Création:** mostly jazz-inspired compositions (Mon). Centre Georges Pompidou Grande Salle. (278 7995).

**Orchestre National de France** conducted by Esa Pekka Salonen, Salvatore Accardo, violin: Stravinsky, Sibelius, Reger (Wed). Théâtre des Champs-Elysées. (723 4777).

**NETHERLANDS**

**Orchestra of the 18th Century** conducted by Frans Brüggen with the six Brandenberg concertos. Mon in Rotterdam, de Doelen (14 29 11). Tue in Utrecht, Muziekcentrum Vredenburg (31 45 44). Wed in Amsterdam, Concertgebouw (*71 83 45*).

**Naarden,** Grote Kerk. St Matthew Passion with Ton Koopman conducting the Orchestra and Choir of the Netherlands Bach Society. The Amsterdam Baroque Orchestra and the North Holland Boys Choir. Soloists Agnès Mellon, René Jacobs, Mark Tucker, Rogers *Covey* Crump, Peter Kooij and Michael Schoppe (Thur). (31 20 29).

**Amsterdam,** Concertgebouw. Recital Hall: Felicity Lott, soprano, accompanied by Graham Johnson. Schubert, Brahms, Wolf, Poulenc, Walton (Tue). (71 83 45).

**Rotterdam,** de Doelen. Recital Hall: Rotterdam Philharmonic conducted by Marien van Staalen. Mozart (Wed). (14 29 11).

**Eindhoven** Globe Theatre. Emmy Verheij, violin, and Janos Starker, cello. Bach (Tue). (11 11 22).

**NEW YORK**

**New York Philharmonic** (Avery Fisher): conductor, Rafael Kubelik; soprano, Benita Valente; mezzosoprano, Claudia Catania; tenor, Philip Creech; baritone Wolfgang Schoene; violins Charles Rex and Kenneth Gordon; Westminster Choir directed by Joseph *Flummerfelt:* All-Bach programme (Tue). Lincoln Center. (874 2424).

**Carnegie Hall:** The Choral Celebration of Bach; conductor, John Nelson: All-Bach programme (Wed). (247 7459).

**National Chorale Soloists** (Merkin): conductor, Martin Josman: All-Purcell programme (Wed). Abraham Goodman House, 67th W. of Broadway. (869 0070).

**WASHINGTON**

**National Symphony** (Concert Hall): conductor, Erich Kunzel: Pop concert featuring the work of Rogers and Hammerstein (Thur). Kennedy Center (254 3776).

**CHICAGO**

**Chicago Symphony** (Orchestra Hall): *conductor,* Sir Georg Solti; *soprano,* Margaret Price: mezzosoprano, Brigitte Fassbaender; tenors, Anthony Rolfe Johnson and Thomas Moser; baritone, Wolfgang Schoene; basebaritone, Siegmund Nimsgern; Chicago Symphony Chorus. All-Bach programme (Thur). (435 8122).

## Cinema/Nigel Andrews

# When hunting instinct runs riot

**Favourites of the Moon** directed by Otar Yosseliani

**Not Quite Jerusalem** directed by Lewis Gilbert

**Baby... Secret of the Lost Legend** directed by B.W.L. Norton

**Terror in the Aisles**

**My Own Country** directed by Lino Brocka

Jean Cocteau thought there was only one golden rule the spectator should impose on the artist: "*Etonnez-moi*" — "Astonish me." What could be more astonishing than a Russian-Georgian director *running amok in Paris making a* deliciously surreal comedy that's more like a free-association game than a film? The film, or the game, is *Favourites of the Moon;* the director is Otar Yosseliani; and the comedy consists of a daisy-chain of incidents celebrating crime, sex and the acquisitive instinct among a dozen-odd characters in modern France.

The English title is translated — somewhat clumsily — from a French translation of Shakespeare. (Why not call the movie *Minions of the Moon,* as in the original Bardic phrase in *Henry IV Part 1?*). The Moon being the goddess Diana, who's also patroness of the hunt, this is a tale set in the lunar *underworld of big-city crime and intrigue,* where man's hunting instinct runs riot chasing not stags or wild boars but jewellery, money, priceless paintings and Sèvres china.

Hans Peter Cloos, as Detective Duphor-Paquet, covers an anonymous woman in "Favourites of the Moon"

Instead of easing us feet first *into the shallow end of his storyline,* Yosseliana throws us straight in at the deep end and this shock energises the whole movie and our response to it. We must not only stay afloat as we're buffeted with a time-chopping plot: black-and-white bits of 19th-century life bob into view as we meet the early owners of a Sèvres dinner service and a nude painting, whose riotously uneven fortunes (sold, stolen, broken, ripped) thread the rest of the film. But we must also keep our heads above water as a gaggle of main characters swim by without being formally introduced: a burglar, a police detective, a small arms dealer, a man who makes locks and bombs, a beautiful rich lady, a beautiful poor lady, an elderly schoolteacher who's fond of blowing up municipal statues, several dogs, lots of children and a gendarme who looks like General De Gaulle in Leaning Tower of Pisa mood. All these *are played by non-professionals, or pals of Yosseliani,* with an air of startled innocence no actor could emulate.

The characters don't even have names in the movie, though they're christened as an afterthought in the credits. In tiny scenes that have the fire and gestural wit of silent comedy—Clair or Keaton—one casual meeting has a domino impact on another and, by close of play, virtually every two-*character collision conceivable* has happened.

No film quite like this has been done before. Bunuel's *La Fantome de Liberté* used the same daisy-chain story technique, but far less mercurially. And the wonder is that a coherence does rear, dolphin-like out of the "chaos:" a vision of history as a giant series of knock-on accidents and misadventures; of life not only imitating art but hotfooting after it as a talisman of survival *through the centuries;* and of the primal urge of the hunt diversified into the myriad quests and craziness of the 20th century possessive instinct.

★

Just to show that there are some areas of cinema time-warped forever in the past, we have *Not Quite Jerusalem.* Paul Kember's prize-winning stage comedy about life in a kibbutz (Standard Award for Most Promising Playwright 1980) has been turned into a movie hopelessly fettered with clichés. It's as if a travelogue about Israel had been combined with a 1960's *Carry On* film and the whole horribly overlaid with syrupy music.

Kember himself adapted the play under the *eye of director* Lewis *(Educating Rita)* Gilbert. He's added a dementedly silly sub-plot about Arab terrorists —which gives the film a spurious action climax more fitted to a James Bond romp—and a young, cheesecakey American hero (Sam Robards) who dispenses as much charisma as a Novocained aardvark. The British kibbutzites are broadened into caricature for the international market (the lady-killing Cockney, the repressed young Midlands spinster); the dialogue is designed to indicate country-of-origin with a sledgehammer (hungry Aussie girl—"Gosh, ah could eat a dingow"); and the nonstop tacking between knock-*about and sentiment means* there's never a pause for human plausibility. Beginning British Film Year with a movie like this is like launching the Titanic with an iceberg.

★

"We're looking at 150m years ago. My Gahd!" says beautiful Sean Young (female) in *Baby ... Secret of the Lost Legend.* And the other characters similarly lose their cool, and their grammar, as they stumble on a family of dinosaurs—Mum, Dad and Baby—in the darkest jungles of Africa. Young is our zoologist heroine, William Katt is her sports-writer hubby, and Patrick McGoohan is Dr Eric Kiviat, a "desperate and deranged paleozoologist" (says the blurb). McGoohan is determined to take "Baby" back to *civilisation;* no doubt to prove that she is not, as she appears to us, a pantomime horse made of black plasticine.

This slice of shoestring lunacy was made by Touchstone Films, the "adult branch" of the Disney *Organisation;* which makes one shudder at the thought of what Disney deems suitable for children these days.

★

If you run screaming from the inanities of this film, do not make the mistake of slipping into another cinema to see *Terror In The Aisles.* It is worse. Setting out to anthologise great moments from horror films, it must have discovered along the way that it couldn't obtain the rights to half of them. So the 90 minutes is eked out with footage from films like the crime thriller *Nighthawks* —about as terrifying as a policeman's ball—or John Carpenter's tepid ghost romp *The Fog.* Meanwhile, Donald Pleasence and Nancy Allen, *sitting in an* imaginery movie audience, gabble away as our comperes and attempt to gee us up between excerpts. But the only horrifying moment is when you first look at your watch and realise there's still over an hour to go.

★

*My Own Country* is a slice of crackling melodrama from Filipino director Lino Brocka. Set in Manila in the demo-ridden days after the assassination of opposition leader Benigno Aquino, it follows a young man's downhill slide into poverty and crime after a strike hits the printing firm where he works. The movie's anti-Marcos message, and Brocka's own *recent anti-Marcos activities,* have combined to make him as popular with the government as an unexploded bomb.

To Western audiences, his work—including parts of *My Own Country,* probably his best film—can seem plangent, purple and programmatic. But it's also a popular and vivid alternative voice in the Philippines and, for that reason alone, we should ensure it is not stifled.

● *Nigel Andrews' column will appear on Thursday next week.*

## Royal Liverpool Philharmonic

**Andrew Clements**

More Shostakovich on Wednesday night at the Barbican: the Fifteenth Symphony was the climax of the all-Russian programme given by the Royal Liverpool Philharmonic under its principal conductor Marek Janowski. If the preformance was not quite on the exalted level of Rattle's account of the Tenth with the Philharmonia the previous evening, it was nevertheless of considerable *stature, securely paced and intently played.*

I cannot pretend to comprehend this last of Shostakovich's symphonies in every detail. Each hearing brings new enigmas—yet more autobiographical references (the quotation from the Seventh Symphony at the climax of the finale struck me for the first time on Wednesday), night), and at the same time still less thematic substance, as if the entire work was constructed from secondhand material to signal the end of genuine creativity. It demands a curiously impersonal interpretation; a series of objective statements that are neither tragic nor ironic.

Janowski seemed to recognise the essential passivity of the conductor in this work, while ensuring that not a detail was missing, not an effect wasted. Strange to hear such an accomplished Wagner conductor direct the quotes from *Götterdämmerung* in the finale! He had begun the concert with a boisterous account of Glinka's *Ruslan and Lyudmila* Overture, and provided very positive support to Ju Hee Suh in Chaikovsky's *First Piano Concerto. Miss* Suh was the youngest ever prizewinner at the Leeds Piano Competition in 1984 (she came second); already she has a strong, secure technique, and a good deal of character in her playing.

## Saleroom/Antony Thorncroft

# Record for photograph

The London salerooms are holding auctions of photographs this week; but their prices were rather over-shadowed by the Sothebys sale in New York on Wednesday of Americana from the collection of Mrs Philip D. Sang when an extraordinary record price for a photograph of £85,832 was established.

It was paid by Forbes for an oval print of the famous photograph of Lincoln and his son, Tad, taken at Brady's studio in February 1864. What makes this example so valuable is that it is signed by Lincoln, one of only two that he is known to have autographed. The photograph, which *shows the father* and son reading together, formed the basis of an American stamp printed in 1984.

The previous record price for a photograph, set in New York in 1983, was for a print of "Wheels," by Charles Sheeler. All told, Wednesday's sale brought in £745,583 ($907,747), with just 4 per cent unsold.

An autograph draft version of the opening pages of chapter four of "Uncle Tom's Cabin," by Harriet Beecher Stowe, sold for £28,008; and a signed copy of the telegram in which Eisenhower announced to the combined chiefs of staff the end of World War Two made £20,780.

An album of autographed photographs of 18 American Presidents sold for £19,877, and a presentation copy of notes by Thomas *Jefferson,* "On the state of Virginia," realised the same sum.

Even so, Christie's in South Kensington yesterday had a very successful photograph sale. A copy of "Life and landscape on the Norfolk Broads," with 40 plates, by Peter Henry Emerson, sold for £13,000. The saleroom now has sold six copies of this famous collection of photographs and this is the highest price yet realised.

*An album of 25 prints from* an exploration in Nevada and Arizona in the early 1870s, by O'Sullivan and Bell, made £12,000, while the remaining contents of an important set of albums by Roger Fenton and other photographers sold for £10,000.

Christie's Continental furniture sale went roughly to plan, with a total of £430,682 and 16 per cent bought-in. A pair of mid-17th-century Italian baroque red-painted and gilded side-tables were within forecast at £28,080, and the same price secured a Milanese ivory-inlaid ebony cabinet, made in 1873 by the Andreoni brothers. A Florentine pietra dura rectangular panel went for £21,600.

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Friday March 29 1985

# Fallout from the dollar

THE FALLOUT from the new weakness of the U.S. dollar is not what anyone would have predicted a month ago. The D-mark was to have re-emerged as a magnet for hot money flows. The European Monetary System was to have been subjected to intense internal strain after two years of calm. The pound sterling, undermined by slackness in the world market for oil, was to have fallen in a fashion that would justify the reticence of British government about joining the EMS while the dollar was unnaturally strong.

So far, none of these side-effects have manifested themselves. Since the moment, on February 25, when the dollar touched its all-time high against the D-Mark of DM 3.45, the U.S. currency has fallen to DM 3.13. But the German currency has remained firmly lodged at the centre of the EMS, with its rate against the French franc varying barely at all, at around FFr 3.05. The Danish Krona has continued to be the strongest currency in relation to the existing European parities.

Meanwhile the pound sterling has strengthened in Europe from DM 3.64 to DM 3.87 last night. This means that it is now marginally stronger, for the first time in many months, than the theoretical central rate of DM 3.82 allocated to it at the last realignment of the European system just over two years ago.

### Rationalisation

For the moment it seems the marked differences of interest rates which co-exist within the EMS—ranging from 5¾ per cent for short term D-Mark deposits to 14 per cent for the equivalent in Italian lira—give the European currencies roughly similar degrees of attraction to any investors now moving out of the dollar. Meanwhile the pound, which combines almost Italian largesse in terms of interest rates with an almost Teutonic commitment to the battle against inflation, has somehow shrugged aside the unfashionable image of being a petro-currency. It appears to be taking some of the strain of the dollar's weakness, much as the advocates of sterling's EMS membership predicted it would.

Though these unexpected side-effects of the dollar's weakness can be rationalised after the event, they do suggest market doubts whether the long-awaited turn of the dollar has definitely occurred. The cumulative record of differences in inflation rates within the European Monetary System, since the last realignment, would point firmly at the D-Mark in a market which was earnestly in search of its next winner. West Germany's massive current account surplus reinforces the D-Mark's potential attraction.

From America itself the signs certainly point towards a further weakening of the dollar. The American current account deficit was boosted by a sharp drop in U.S. exports to $11.4bn for the month of February — a debt accumulation that would be unsustainable over a full year in most developed economies. But the U.S. deficit has been with us for a long time and cannot suddenly be produced as a reason for the dollar's weakness. The exchange market itself did not seem particularly agitated by this figure yesterday.

### Deregulation

Deregulation ... ... ... ... ... ...

The crucial development is the gradual accumulation of evidence that the innate strength of the U.S. economy is no longer a match for the dollar exchange rate, and that the Fed is losing its leeway to provide higher interest rates should conditions in the exchange markets require them. The recent collapse of confidence in Ohio's savings banks was a reminder how financial deregulation and high real interest rates are a corrosive combination eating slowly into the weaker parts of the U.S. financial system. The news on Wednesday from the U.S. bank regulators that problems in the American farm sector are causing difficulties for an increasing number of banks was another pointer in the same direction.

At a macro-economic level the most important recent statistic was the "flash estimate" that the real rate of American economic growth had fallen from 4.3 per cent in the fourth quarter of 1984 to 2.1 per cent in the first quarter, largely because of the increasing penetration of the U.S. market by imported goods. Confirmation or correction of this unreliable first guess may well determine whether the dollar's current bout of wearkness is reversed or not.

# UK sermon on unemployment

IT IS easy to sympathise with Mr Tom King, the Employment Secretary. Nearly all the important measures in the Budget, concerning national insurance rates, training, the community programme and the rest were devised by his own department, together with his colleagues at Social Security; but the Chancellor got all the limelight. Mr Lawson had stolen his clothes, and he wanted them back.

Nevertheless it might be expected that a White Paper on employment, published when unemployment is the country's leading problem, would contain some new ideas, or at least an agenda of unsolved problems, but this one does not. Instead, it is launched with a truism straight from the Budget speech, to the effect that only customers can create jobs, and goes on to recite all the Government's known policies and positions that are even vaguely related to employment, and one or two that are not related

### Questionable exercise

The purpose of this catalogue, it seems, is not so much to act as an apologia—explaining, for example, how far demography has been responsible for the rise in unemployment—as to persuade those outside government to play a more active role. This would be a questionable exercise even if it were ideally well don. White Papers which are in effect sermons come oddly from a government which proclaims its faith in market forces. In the event, the White Paper fails to measure up as a persuasive exercise, for it is not at all clear what its readers are supposed to do about it. It will no doubt be very useful as a handbook for Conservative speakers during the Easter recess, but it seems unlikely to achieve much more.

These unkind remarks are not intended, with a few exceptions, as an attack on the policies listed in the paper. On the contrary, we have energetically supported the Government's measures to improve the functioning of the labour market. It is fair, although hardly necessary, to point out that these are bound to take a long time to work, and interesting to learn in an annex to the paper that the Socialist government in France is following an increasingly similar line.

However, this presentation of the Government's policies seems unlikely to do any good, and could do harm. First, it edges dangerously near to outright complacency: the message seems to be "We've done our bit; what about you?" Secondly, too much space goes to defending, none too skilfully, the policies of other departments.

The discussion on infrastructure investment, for example, rectifies some familiar fallacies about government borrowing and interest rates (which are determined in a world market in which the UK is an insignificant actor) and sees any benefit only in terms of jobs actually provided in the construction industry.

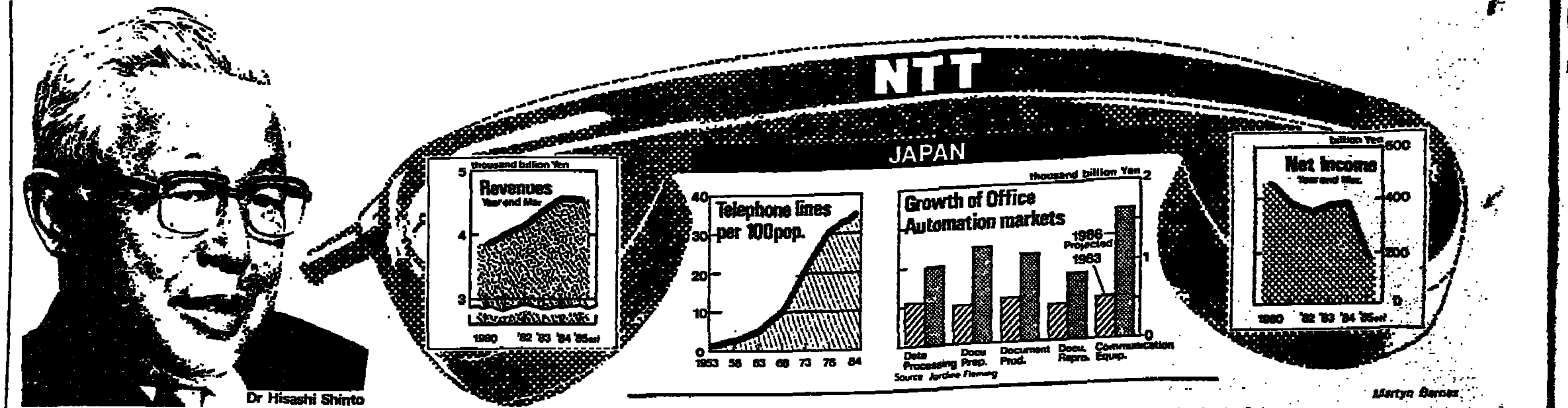
The idea that better infrastructure actually encourages private sector job creation—as claimed, for example, in the CBI's enormous list of policy questions earlier this week—is not even considered; but this is exactly the sort of question on which one might expect the Employment Department to hold a well-researched view. It would be interesting to know that view, rather than read a rehash of Treasury speeches.

More important, the White Paper rightly deplores the rate of increase of British unit costs, but shows no curiosity even about why our perfrormance should be so much worse than that in other European coun tries also suffering from market rigidities and consequently high unemployment.

The answer must surely lie somewhere in the institutions and traditions of wage bargaining in this country; but the Employment Department, which used to be criticised for its obsession with details of labour relations, now appears on this evidence to have lost all interest in such questions.

We continue to hope that the policies listed in this White Paper will, in due course, help to make our labour market work more efficiently, so that when, quite soon, the labour force stops growing, unemployment should fall quite rapidly; but we will be still more hopeful if some future White Paper outlines the problems now under study, and the policies which may yet be developed to tackle them.

There is no shortage of problems; but there may, on this evidence, be a shortage of ideas.




Dr Hisashi Shinto

# Deregulation, Japanese-style

By Guy de Jonquieres, recently in Tokyo

IN Western countries, April 1 is not considered an auspicious day to launch a new venture which is meant to be taken seriously. But in Japan it has been chosen to introduce a long-awaited policy change, grandly billed by its architects as a major step towards the creation of the "information economy" of the future.

On Monday, Japan will follow in the footsteps of the U.S. and Britain by deregulating its telecommunications market. The state-owned Nippon Telegraph and Telephone (NTT) will be stripped on its monopoly over internal comunications and turned into a private company.

In a drawing-up their policy over the past five years, Japanese planners have analysed minutely—and borrowed freely from—developments in the U.S. and the UK, particularly the latter "Your experience has been very useful to us. Thank you very much," says Dr Hisashi Shinto, NTT's president.

### Market domination unlikely to be eroded quickly

However, the end result is distinctively, even idiosyncratically, Japanese. As befits a country which abhors disorder and uncertainty, real change will come only gradually, and there is more than a hint of stage management to the whole exercise.

Though the new policy is intended to give fuller rein to market forces, the Government will continue to wield considerable influence over the telecommunication industry. Indeed, at least one Ministry clearly sees deregulation as an opportunity for empire building.

This prospect has angered the Reagan Administration, which suspects that Japan will simply manipulate an elaborate web of bureaucratic procedures to keep its market closed to foreign suppliers. The U.S., which has a $1bn deficit on bilateral telecommunications trade, has recently intensified pressure on Japan to improve access for imported equipment.

Though Japanese investors snapped up British Telecom shares last year, foreigners will be prohibited from buying into NTT, whose estimated revenues of $21bn in the year to March 31 are more than double those of BT and are exceeded only by American Telephone and Telegraph. The first sale, of about 10 per cent of NTT's equity, is expected next year.

As in Britain, the roots of Japan's policy shift lie in growing Government impatience with the standard of service provided by its monopoly carrier. Though its telephone network is large and relatively modern, NTT has been criticised by business customers for high prices, particularly on long-distance routes, and for stubborn resistance to change.

Though computers are widely used in Japanese industry, particularly in manufacturing, NTT has been slow to provide special networks to link them together. Office automation systems based on communicating desk-top terminals are rare even in large Japanese companies, where much management information is still circulated in the form of hand-written memos.

Dr Shinto, a former industialist who was made NTT's president five years ago with a remit to make it more commercial, also blames its rigid monopoly for cramping the development of the computer software industry. Japan has been far less successful in this business than in making the machines themselves.

The new telecommunications law envisages two main types of competition. One will be from companies licensed to build and operate their own telecommunications systems; the other will be in "value added" information services offered on the public network. These will enable a wide variety of information to be exchanged between computers.

Several groups with powerful backers are queueing up to build comunications systems to compete with NTT, primarily between Tokyo and Osaka, Japan's two main business centres. About a quarter of the country's telecommunications traffic is carried on this route, and NTT's prospective rivals claim they can undercut its tariffs by up to 30 per cent.

They include: Daini Denden ("Second NTT") a consortium of more than 200 companies led by Kyocera the highly successful maker of ceramic integrated circuit packages; Nihon Telecom, set up by Japanese National Railways; and Nippon Teleway, backed by the Japan Public Highway Corporation and the Transportation Ministry.

Keidanren, the national employers' federation, is also talking with several industrial groups about starting a nationwide service using a satellite which would probably be bought from the U.S.

Among prospective suppliers of "value-added" services, who will not own their own networks, are Japan ENS Telecom, a group of 16 blue-chip financial and industrial companies, including KDD, which handles all Japanese international communications, several large Japanese electronics manufacturers, and NTT itself.

### Real change will come only gradually, and there is more than a hint of stage management to the exercise

NTT's domination of the market seems unlikely to be eroded quickly, though. In the words of a senior Ministry of Posts and Telecommunications official: "It will be like a sumo wrestler playing in the park with children."

"The new communications carriers will take three to five years to achieve a presence on the market," says Mr Takuma Yamamoto, president of Fujitsu, a leading electronics manufacturer which has pressed hard for deregulation. How many of the rival network projects will go ahead is still uncertain, none of them aims for more than 5 per cent of the market in the foreseeable future.

Furthermore, NTT has not been standing still. It recently completed construction of a high-capacity optical fibre trunk line running the length of the country and is pushing ahead with Information Network System, an advanced fully digital communications network developed by its highly capable research laboratories. Like British Telecom, it is also interested in expanding internationally.

However, unlike BT, NTT has also been bending over backwards to help its new competitors get started. It has provided several of them with teams of hand-picked technical experts and has even offered some of its own radio frequencies to Daini Denden, which plans to build a microwave radio network.

The reason for this surprising altruism is that NTT knows that its own future hinges on ensuring that competition succeeds. It faces a parliamentary review in a few years' time, and if it is found to have clung too tenaciously to its former monopoly, the Government has hinted that it may revive an earlier proposal to break it up into pieces.

In addition, the Ministry of Posts and Telecommunications (MPT) is expected to keep NTT on a tight leash to allow its new rivals to get into the race. NTT will have to open every aspect of its operations to MPT scrutiny and is unlikely to be permitted to match fully its competitors' lower tariffs, which MPT will also regulate. "Giving MPT a tighter grip over our affairs is the price we have to pay for not being broken up," laments one NTT official.

Though NTT's net income has slipped steadily to an estimated $800m this year, it has plenty of scope for cost-cutting. According to MPT officials independent experts have concluded that NTT's 320,000 staff is twice as large as it needs to be.

MPT's motives are closely intertwined with a bureaucratic power struggle. At first cool towards the idea of deregulation, MPT quickly changed its mind after realising that competition would expand the size of the industry and hence its potential authority.

Long a second-rank department, MPT now sees the chance to grab some of the influence over industrial policy enjoyed by the Ministry of International Trade and Industry. MITI, however, is pressing for a bigger say in telecommunications. The clash has created many uncertainties about how regulation will work, notably in the "value-added" services market.

Details of the new policies will be set out in a series of "ordinances," which the Government has been racing to get ready in time for April 1. The U.S. has tried hard to influence the drafting process, to ensure that the new rules do not discriminate against non-Japanese suppliers.

It has made some progress, beating off an earlier attempt to limit foreign involvement in "value-added" services. American companies poised to enter this market include AT&T, which is teaming up with Japan ENS Telecom; General Electric Information Services (Geisco), which is joining forces with electronics manufacturer NEC; and International Business Machines.

But many Tokyo observers doubt whether any Japanese concessions over the framing of equipment approval rules will amount to much more than window dressing. "Whatever is in the ordinances, what will determine the outcome is how the Government chooses to implement them," according to a Keidanren official. Some believe the U.S. can be bought off with a satellite order.

Liberalisation is expected to boost the Japanese market for a wide range of network equipment and office automation products as NTT and its rivals compete to offer new services to business customers. Stockbrokers Jardine Fleming forecast that annual output of communications products will treble in value between 1983 and 1986 to Y1.664bn ($6.58bn).

NTT's monopoly over the supply of much customer apparatus such as private branch exchanges was abolished some years ago and some foreign manufacturers, including Northern Telecom and Mitel of Canada, have carved out market niches. Others, including AT&T, are hoping to get in.

However, they face a tough struggle to win a big share of the action, even if the official rules are enforced fairly. Dr Bernard Key of Jardine Fleming argues that in Japan successful marketing often depends crucially on close-knit personal relationships built up over a long period.

Moreover, the marketing of many types of business equipment and services in Japan is organised by industry sector and requires an intimate knowledge of how customers operate. "There doesn't seem to be too much room for foreigners in this scenario," says Dr Key. "The Japanese need to sniff you out —you can't just fly in for the weekend."

According to Dr Koji Kobayashi, chairman of NEC: "If Americans want to sell in Japan, they should set up more plants here." Few have done so on any scale so far. IBM, which has extensive local production facilities, is an exception. But even it has been losing market share recently.

### Under U.S. pressure NTT has started to buy abroad

Under U.S. pressure NTT, which has no manufacturing capacity of its own, has started to buy abroad. Its overseas purchases reached Y45bn last year. But that was still only 8 per cent of its total procurement of Y550bn and included items such as telephone poles, magnetic tape and copier paper as well as electronic equipment.

Unlike BT, which has been rapidly diversifying beyond its traditional UK equipment suppliers since it won commercial independence, NTT is expected to stay loyal for some time to major manufacturers such as NEC, Fujitsu and Hitachi.

Dr Shinto says NTT is ready to buy overseas if it can get better value. But he quickly adds: "Japanese industry has great vitality. Some years, if we find a foreign product we want we will buy it. But by the following year Japanese suppliers may be providing a similar product."

# Men and Matters

## Gunn steps into Boots

Boots, Britain's biggest High Street chemist, is to have a new boss. On Monday the present chairman, Dr Peter Main, is to retire and make way for Bob Gunn, aged 59, the group's vice-chairman and chief executive.

Gunn is an Edinburgh Scott who has been with Boots all his working life. He is not the only member of his family to get on business. An older brother, Bill Gunn, is deputy chairman of United Biscuits.

Gunn is not a chemist by training (he read history at Oxford). And the one thing he has never done, he says, is run a shop. On the other hand, he has done just about everything else in the Boots organisation in his time.

Gunn joined the group board in 1976 with responsibility for the production and marketing of Boots' pharmaceutical products, and the agrochemicals business (since sold). He involved himself in sales of drugs and over-the-counter health products through more than 20 overseas subsidiaries.

He does not expect any dramatic changes in the Boots style in the near future. He says "The chairman and I have discussed group strategy over the years. But there's bound to be slight changes as time goes on—no two people look at things exactly the same."

## Little interest

The Bank of England's show of reluctance yesterday in giving its blessing to a cut in interest rates highlights again the difference of approach between the Treasury men and their higher - paid colleagues in Threadneedle Street.

For some time, the Treasury has stressed that cuts in interest rates can stimulate the economy through higher consumer spending. As mortgage rates eventually come down, they argue, we shall all feel better off and rush out on a spending spree.

Over a drink in their subsidised bar, Bank officials tend to be more sceptical about this connection, seeing little personal evidence for it.

Which is hardly surprising; Treasury chaps have to pay the full market rate of around 14 per cent on their mortgages, whereas Bank officials can borrow at a much more civilised basic rate of two per cent.

## Water way

Amid speculation about political agreements, the British and Irish governments have been engaged in more mundane, but decidedly more practical, co-operation.

Two consultancy firms, Building Design Partnership in Belfast, and Craig Gardner (a Price Waterhouse subsidiary) in Dublin, have been hired to carry out an economic development study of the border area around Lough Melvin.

While this corner of Ireland is a delightful retreat for discerning fishermen and wildfowlers, it is just about the last place a passing industrialist would choose to set down a factory. It is one of the most depressed spots in the EEC—which perhaps explains why the European Commission is partly funding the £60,000 study.

The consultants are likely to follow the thoughts of an EEC committee which recommended linking the Erne lake system in Northern Ireland to the Shannon system in the south to create the biggest inland water way in Europe.

They are also likely to point out that the best way to boost tourism is for the political talks to get somewhere.

## Colour scheme

Political life becomes more colourful in one sense, at least. Tom King, Employment Secretary, yesterday chose to publish his White Paper, "Employment—the Challenge for the Nation," inside a bright blue cover.

Quite apart from its party overtones, this introduces a somewhat mystifying new colour combination into the spectrum of political publishing.

Whitehall's productive presses, as Neil Kinnock pointed out, already print red books (the financial statement and budget report), white papers (Government policy proposals), green papers (consultative documents), hybrid white papers with green edges, and blue books (on less-than-titillating subjects like household expenditure).

And still some people say politicians see everything in black or white.

## Life style

Mark Weinberg is very much the life assurance industry's man of the moment as far as the Government is concerned. He emerged yesterday as chairman of the organising committee of the Marketing of Investment Board, fresh from other recent appointments on the Governor's Advisory Group which last summer probed the regulatory consequences of the City revolution, and on the Field Committee, which looked at regulaton of life assurance and unit trusts.

For good measure, he was also a member of Norman Fowler's inquiry into personal pensions last year.

In case his new bosses at BAT Industries were worrying that all this public service might distract his attention from running BAT's expensive new purchase, Allied Dunbar (better known under its old label of Hambro Life), Weinberg was quick to express the hope yesterday that his new commitment could be fulfilled" in a way that won't be "seriously noticeable to my own company."

He will drop other industry commitments, such as his role as chairman of the public relations committee at the Life Offices Association. The MIB responsibilities will take up to two days a week, although "those might include nights rather than days."

He was approached by Norman Tebbit, Trade and Industry Secretary, some six weeks ago and recently has been vetting Tebbit's other appointments to the committee, on the basis that "we wanted to have a congenial relationship" but on the other hand "they were there really to conflict with my views rather than to support them."

Weinberg now finds himself in the thick of the argument about whether the MIB in its final form should be separate from the Securities and Investments Board to be headed by Sir Kenneth Berrill. Yesterday, he was deftly sidestepping the question with replies such as "I personally don't regard it as a fundamental issue."

Are his committee members equally open-minded? I note that one of them is top accountant, Eddie Ray, also a member of the City Capital Markets Committee which a month ago emphatically declared that a separate MIB would cause "real problems."

## Food for thought

Poor Sir Keith Joseph. A story currently doing the rounds in Whitehall is that at a recent dinner attended by the Education Secretary, his loyal civil servants moved in early to reassure those diners waiting for the minister's words of wisdom in his after-dinner speech.

"Don't be worried," they counselled, "if during dinner, while he's waiting to speak, Sir Keith eats his notes."

**Observer**

POLITICS TODAY: SOUTH AFRICA

# Some thoughts from the Cape

By Malcolm Rutherford

ALMOST EVERYTHING in South Africa seems to be happening at once—and it hasn't finished yet. Here are some impressions from a first visit. ...

The idea that South Africa does not care what the outside world thinks about it is quite wrong. On the contrary, every new outbreak of violence is greeted with fears by South African whites about the international reaction.

The term "disinvestment," which means multi-national companies disengaging from the South African economy, strikes terror among the establishment, including both supporters and oppinents of the present government. A recent independent survey has shown that even a majority of blacks are against it.

There are still signs of a healthy parliamentary democracy among the whites. Witness Mrs Helen Suzman flaying the government for its handling of the violence in Uitenhage last week and the way the speaker supported her, despite an appeal by Mr P. W. Botha, the state President, to regard the matter as sub judice until the official inquiry is complete.

The parliamentary exchanges had their uglier side. Some far-right wing MPs kept shouting: "You believe the blacks, you believe the blacks," while she was querying the police version of events. But it was still Mrs Suzman's day.

Bureaucracy is crippling. There is a theory that the idea that the government is seriously bent on reform has still not got through to the middle and lower levels of the civil service. "They fill in old forms and apply old laws that are no longer relevant," said Mr Berend du Plessis, Finance Minister.

Two examples: on the day on which South African television broke new ground by showing some of the violence in the black townships, the broadcasting authority also announced that it would no longer play any music by the pop star Stevie Wonder, because of his support for the African National Congress.

Again, the government stated this week that restrictions on mixed dancing and mixed swimming at international hotels have been removed with effect from April 1982, including the quotas on the number of black visitors. Nobody knew before there awere quotas and a group of bureaucrats have been kept employed for the last three years checking the figures. Possibly they will continue to do so, even though the old regulation has been officially declared dead.

True stories like those make one wonder how far the government is capable of getting its writ to run. There is such a panoply of old laws and regulations in the country that any policeman or official can pick one up and apply it as he thinks fit. There appear to be far more cock-ups in South Africa than conspiracies.

It is not so much that the law is an ass as that nobody knows which law applies. Apartheid, at least in the old sense of separate development, is visibly fraying at the edges. Blacks move into white areas all the time and for much of the time the whites accept it. Sometimes the law is enforced, sometimes not. Thus what you have is an entirely arbitrary system—it sometimes seems more like a Third World tyranny than a efficient police state.

The Third World theme looms surprisingly large in conversation. "We are," say ministers, especially those who have anything to do with the economy, "a developing country. The only difference between us and the others," they add, "is that we have both the first and the Third World in our midst." Behind those words is perhaps a fear that the economy will not take off and that the country will go the way of much of the rest of Africa, only on a much more dramatic scale.

Certainly economic growth is crucial to the chances of political reform. Mr du Plessis goes so far as to suggest that the whites in South Africa scarcely need any more development and ought to realise it for their own good. Most of their requirements have been met in terms of housing, education and infrastructure. There are pockets of white poverty, to be sure, but they can be dealt with. Any growth would benefit the blacks most of all.

Mr Botha: problems with credibility.

The Finance Minister is talking about a minimum growth rate of 3.7 per cent a year over a period. The desirable target, he says, is 5.5 per cent.

Nothing like that will be achieved in 1985. The country has just gone through a very tough budget designed to reduce inflation—now running at 16 per cent—and to control public expenditure. (Mrs Thatcher is much admired in financial circles here for her economic policies and there is much talk of privatisation.)

A visiting IMF team recently gave its blessing to the policy mix, provided that fiscal policy was strengthened, which has now happened. Indeed the budget was so tough that in any normal circumstances it ought to create conditions for recovery. The gold price has also gone up, which should help.

The trouble is that these are not normal circumstances, nor is South Africa a normal country. As Gerhard de Koch, the governer of the Reserve Bank admits, South Africa has no choice. It cannot afford to take risks. If it gets into trouble economically, it will be unable to rely on the outside world to bail it out. So borrowing is being kept to a minimum. The Reserve Bank, incidentally, enjoys an independence from the government at least equivalent to the Bundesbank in West Germany. The politicians could change that, but they haven't.

Thus economic growth is essential, but remains over the horizon. The political point about it is that if it is achieved, it should bring more blacks into the economy, and inculcate them with mbiddle-class values. Both Mr du Plessis and Mr de Koch are insistent that teh pool of untrained black labour should be regarded as a potential asset rather than a liability. If it can be trained South Africa will set an example to the rest of the continent.

The change, said a minister on the Right-wing of the Government, is from "separate but equal development" to "separate, but also together." That is rather a subtle concept to get across in the present state of the country, and could be pretty difficult at the best of times. For it means pursuing a degree of economic integration, while maintaing separate cultural and social identities: for instance, separate townships for the blacks and restrictions on where the blacks are allowed to go.

It also runs smack into the question of political power. It is true that power-sharing is now on the agenda. President Botha repeated this week that the question is not "whether black communities should be given political rights, but how it should be done." That is a very big switch from the not-too-distant South African past, but to some of the blacks it must still look like very small beer delivered too late. Not least, South African governments have an awful lot of past to live down.

One big change seems to have occurred in the last few weeks, surprising and shocking even those who have spent their lives here. In some ofthe recent violence in the townships, blacks have turned against blacks in a non-tribal context. Black councillors have been killed by fellow blacks for collaborating with the government. That must make President Botha's task of seeking negotiations and co-operation with the black communities even harder.

There is also a rift between those who want much more radical reform than anything presently on offer, but who are prepared to enter into discussions with the government, and those who regard such discussions as co-operating with evil.

Liberal is a dangerous word to use in South Africa since it tends to be taken to mean the far left. But people who would be recognised in Europe as liberals or social democrats have begun to speak of the intransigence of those who refuse to talk to the government on any terms. A cecent editorial in Sash—the magazine of the reforming women's Black Sash Movement—wrote of the "potential for dictatorship that exists among the disenfranchised masses," drawing parallels with the behaviour of the Government.

Misunderstandings abound. Mrs Suzman at lunch outlined a programme for the future which in many ways sounded similar to the one given to me earlier in the day by Mr du Plessis. She said she had no idea he thought like that and was on the whole disbelieving. On top of it all is President Botha, a figure of immense potential power under the new constitution. My own view is that his wish for reform is genuine, since there is no desirable alternative. But there is a lack of finesse in the way he puts it. It was a lost opportunity when he appeared on American television last week to say: "I shall keep order in South Africa." He could have explained how hard he was going for change in a complex situation.

There was also something slightly sinister in his statement on the same programme: "There are no super powers so far as South Africa is concerned. We are equal to the rest of the world." The President of South Africa is not General de Gaulle.

Which Botha is the real one; the reformist or the autocrat and can there be a successful mixture of the two? It is not surprising that he has problems with credibility. At the very moment he is ready to talk, the blacks don't believe him.

South Africa is a one subject country. In the end, every conversation comes down to "whither South Africa?" though one suspects the key question is "what is South Africa?" and most people are still in the process of working that out.

## Lombard

# The case for surrogacy

By Christine Burton

CONSIDER A couple who are desperate to have a child and discover that one or other is infertile. They have three options. They can grin and bear the childless state or they can try to adopt a baby. Thanks to the pill and the changed social climate which no longer looks askance at unmarried mothers, babies available for adoption—at any rate in Britain—are few and far between. And governments of third world countries—which have never exactly smoothed the paths of those wishing to adopt their surplus offspring—have now begun to put even more obstacles in their way.

The third option, if the couple are eager that one of them should be a natural parent, is artificial insemination. This is fine if it is the man who is infertile; the woman can be inseminated with sperm from a donor who is "matched" to her partner.

But if it is the woman who is infertile, the situation becomes both illogical and unfair. For, says the Government, what's sauce for the goose isn't necessarily sauce for the gander.

Mr Norman Fowler, the Social Services Secretary, has announced that the Government is about to introduce a Bill, to be law by the summer, to outlaw commercial surrogate motherhood agencies.

What seems to stick in the Government's craw is the thought that anyone should profit from such an arrangement. Yet any woman who bears a child on behalf of another should, of course, be paid for it; her side of the bargain covers nine months of her life — ranging from inconvenience to hard labour. Male donors are paid between £5 and £20 for a few mnutes of their time. It is hypocritical in the extreme that the party of free enterprise is doing its best to prevent one proven demand being supplied while sanctioning the other.

Critics of the measure suggest that payment of a fee for carrying a baby would exploit the poor. But is it exploitation to pay someone for doing something that the instigator is unable to do? In any case, the advantage of having the arrangement conducted by a commercial agency is that both sides have a choice and thus a veto.

Of course, all the legal implications must be sorted out, but an agency or agencies could be regulated in this respect; private arrangements, which the Government has recognised it could not prevent, would be much more difficult to control.

Many couples are so desperate to have a baby that they do not mind how much they pay; this is why an "under-the-counter" system will continue. It is also the reason why developments in treating infertility have become more widely available; "test-tube" babies, for instace, were created in the private sector, but the process is now available on the NHS. (Enoch Powell's bill to ban research on human embryos, now in committee stage, could well put in jeopardy any further advances in this area.)

And the NHS is, in the end, the best place for surrogate arrangements to be made; a coutrywide operation could be run from a teaching hispital with a computer and a minimum of staff. The surrogate mothers would still have to be paid but any qualms about a third party profiteering would be removed.

Listen to Anna McCurley MP (Cons, Renfrew West and Inverclyde), leader of the campaign to ban surrogacy, speaking on Channel 4's Diverse Reports: "Ultimately I think it (surrogacy) damages family life . . . I think that legislation should identify the ideal of a good stable background with two parents who know the child and the child knows them."

Mrs McCurley is ignoring reality; we do not livein an ideal world. Divorce, abortion, one-parent families, battered wives and adoption all exist. In comparison, a baby fathered by its natural father and born to a surrogate mother (and therefore handed over at birth) must surely create the sort of family she is talking about.

# Letters to the Editor

## Allowing assets to decay

*From the Director-General of the British Institute of Management*

Sir,—It was made clear in the Government's Public Expenditure White Paper that the Chancellor never intended to make provision in the Budget for investment that would maintain and renew Britain's crumbling infrastructure assets. He insists we cannot do this without an increase in the public sector borrowing requirement that would spark off inflation.

But is this true? For more than two years the British Institute of Management has been pressing for a higher level of investment on roads, port installations, sewers, water supplies, training and higher education facilities in technological and business studies on the grounds that an efficient economy must be served by an up-to-date infrastructure, that renewal and replacement will cost the country much more at some distant date, and that it is sheer bad management to allow assets to decay.

Indeed, no sensible business runs down its assets in order to distribute dividends. During this time consultation with representatives of our members has put infrastructure investment as a higher priority than personal income tax reduction, and the raising of thresholds and allowances as preferable at this time to a cut in the standard rate.

Over the years the arguments against providing the necessary higher level of maintenance and renewal of these assets has varied. But on the basic question of the PSBR, recent experience shows that a higher borrowing requirement than that planned does not automatically cause a disastrous rise in the inflation rate—other factors seem more powerful.

Even so the suggestion that funds are just not available must be challenged, for if the given level of PSBR is to be observed with mathematical precision, the search for resources for investment from savings elsewhere should be being explored with vigour. It is not.

Reports by the Audit Commission, which has only been in existence for two years, have identified a number of opportunities for savings, and for a better use of resources by local authorities. They seem to suggest the possibility of savings approaching £1bn a year within two or three years. It would be reasonable to expect that if the commission continues its work even greater savings would be possible. And if savings of this order are possible in local authority expenditure, what improvements in the efficiency of central Government through the adoption of good practice and managerial co-operation might be feasible without adversely affecting essential services?

Roy Close.
*British Institute of Management, Parker Street, London WC2.*

## Lawson with tongue in cheek

*From Mr J. I. Perks*

Sir,—I hope the Chancellor is not going to be allowed to get away with his tongue in cheek statement that CGT "is now on a broadly acceptable and sustainable basis."

During successive years the Chancellor's predecessor asserted that it was "intolerable" and "iniquitous" that tax should be levied on paper inflationary gains, and then did nothing at all to alleviate the plight of those who had suffered the ravages of the worst inflationary decade in the nation's history.

Mr Lawson, alas, follows the same path, despite saying in his Budget speech: "Last year I was unable to do anything about the acknowledged defects of this tax notably its unfairness."

The reform he claims is something of a mouse, and leaves the major unfairness relating to assets held before 1982 basically untouched. He can hardly expect holders of such assets to support the doubtful contention of "broad" acceptance

J. L. Perks
*Heath Rock, Beacon Lane, Heswall, Merseyside*

## Lots of trouble on the telephone

*From Mr A. E. Gottesman*

Sir,—On a number of occasions, you have taken note of my concerns about the unchecked deterioration in the telecommunications infrastructure in the UK. This is, in my view, a major factor which puts British industry at a day-to-day competitive disadvantage with companies in other countries.

I am therefore writing now to report, with appalled astonishment, that the new reservations number in London for British Airways, 897 4000, has apparently been inaugurated in conjunction with a new PABX which does not work! After waiting more than 20 minutes for an answer to that number, I was informed calmly by the reservations agent that "they have been having a lot of trouble with their telephones," since the new equipment was installed.

Apparently, even a call queuing facility, which is 10-year old technology in advanced countries, has not been included.

Having sold the shares of British Telecom to an unsophisticated group of investors who do not realise the technical and profitability problems which may lie in store, is it now the intention of the Government to sell them the shares of British Airways when it is difficult, if not impossible, to get through to BA's reservation agents?

A. Edward Gottesman.
Gottesman Jones and Partners.
*Aldwych House, Aldwych, WC2*

## A farmer replies to the critics

*From Mr John Baker White*

Sir, — Before I venture an opinion in the controversy surrounding British agriculture and support for British farmers, it is proper that I should state my credentials for so doing. My family has farmed the same land in East Kent for 125 years; we are a family partnership with my son bearing the burden of management. I started by working life in the milking sheds of a Sussex farm 65 years ago. In one way and another I have been associated with agriculture ever since. From 1948 until I retired in 1983 I was a trustee of one of the largest agicultural estates in England.

To sum up the main charges made against farmers in simple terms, they are that too much public money is being poured into their pockets, to create unwanted surpluses of food and that in their greed farmers are destroying the beauty of the countryside.

In 1914 and again in 1939 British agriculture, due to the "cheap food" policy of successive governments, was in a depressed state with low wages for its workers and low returns for farmers. My wage in 1920 for a 72-hour week was 28s old money. But, faced with the challenge of war in 1914-18 and again in 1939-45, farmers and farm workers saved the British people from starvation.

I wonder if the critics of British farming ever consider how many jobs outside the industry depend upon its prosperity, or conversely, are at risk if and when it is in depression. I have in mind those engaged on the manufacture of tractors, combine harvesters, ploughs, other farm machinery, heavy vehicles, fertilisers, animal feeding stuffs, containers, binder and hop twine, veterinary products, and building materials.

I am puzzled often by those who are so vociferous and often venomous about "subsidies" for farmers never seem to attack the policy of pouring vast sums of the taxpayers' money into the coal, iron and steel, aircraft, shipbuilding and motor industries.

One final point. We live in an age when many investors seek for high interest rates. I wonder how many of those who talk and write about "the huge profits" made by farmers would care to invest their money in agriculture in the hope of a rich return. They would get an unpleasant surprise if they did.

John Baker White.
*Street End Farms, Street End Place, near Canterbury, Kent.*

## Payroll tax by any other name

*From Mr J. V. Harris*

Sir,—The proposal of the Chancellor in his latest Budget to charge employers 10.45 per cent on all weekly earnings above £265 must surely take what is now known as employers national insurance contributions into the realm of payroll taxation.

This proposal will not only have the immediate effect of adding to the costs of industry and commerce, which will filter through to the consumer by way of inflation, it will also in the future have the additional effect of suppressing the earnings of middle management and consequently their incentive.

It would seem that this Government is committed to a policy of a low wage economy and unless this trend is reversed Great Britain will become the "Hong Kong" of Europe.

J. V. Harris.
*174, Ashby Road, Loughborough, Leics.*

## The Stansted airport battle

*From Mr R. B. Nicholson*

Sir,—I must ask the chairman of the Braintree District Council to produce evidence for his statement in his letter (March 26) that "there is a swell of support for the inspector's recommendations" about the expansion of Stansted Airport.

Opposition to the recommended expansion remains as firm as it always has been and Braintree is the only local authority to support it (without any specific mandate from its electorate). Expansion on the lines proposed by Mr Eyre would be an environmental disaster.

R. B. Nicholson.
*12 Woodfield Road, Braintree, Essex.*

FINANCIAL TIMES
Friday March 29 1985



Peter Montagnon reports on debt setbacks for Argentina and Brazil

# Growing signs of indebted times

TODAY should have been a day of major celebration in the banking world.

Mexico is due to sign the first $28bn tranche of its new $48.7bn commercial bank debt rescheduling, paving the way for a resumption of borrowing on private commercial markets and putting it within reach of a full return to proper financial health.

But hopes that Mexico's debt agreement would represent a clear turning point in the debt crisis that has plagued the developing world for nearly three years have been dashed by sudden setbacks for two other major debtors, Argentina and Brazil.

At best, bankers now hope that Mexico's signing will simply give renewed momentum to a recovery process that elsewhere shows signs of flagging. Once again, Mexico's example will be used as a success story to distract attention from problems elsewhere – Argentina's mounting interest arrears and the political uncertainty whipped up by the illness of Brazil's incoming President Tancredo Neves.

Sr Neves's illness has come as a particularly bad shock to bankers because he had been expected to reach a quick agreement with the International Monetary Fund (IMF) and creditor banks on an orthodox solution to Brazil's debt problems.

Brazil's political will, however, to accept such a solution could now be in question, bankers believe, delaying any agreement for weeks if not months. A glance at other countries facing debt problems in Latin America and elsewhere shows that, apart from Mexico, none has yet been able actually to sign agreements rescheduling debt falling due this year.

**MAJOR COMMERCIAL BANK RESCHEDULINGS**

| | Amount ($bn) | Years covered | Maturity (years) | Interest margin† | New credit ($m) |
|---|---|---|---|---|---|
| Argentina | 16 | 1982–85 | 12 | 1¼ | 4,200 |
| Brazil* | 45.3 | 1985–91 | 16 | 1⅞ | – |
| Ecuador | 4.3 | 1985–89 | 12 | 1⅝ | 200 |
| Mexico | 48.7 | 1985–90 | 14 | 1⅛ | – |
| Philippines | 5.8 | 1983–86 | 10 | 1⅝ | 925 |
| Venezuela | 20.75 | 1983–88 | 12½ | 1⅛ | – |
| Yugoslavia | 3.5 | 1985–88 | under negotiation | | – |

* Brazil figures not yet confirmed. Discussions also still pending for Peru, Chile and Uruguay.
† Average margin where applicable

Worries about a possible worsening of the debt problem are growing on three main fronts, according to bankers attending this week's Inter-American Development Bank meeting in Vienna.

First, delays in IMF drawings by both Argentina and Brazil point to a heightened risk that debtor countries will no longer be able to swallow the austerity needed to reduce inflation and restore equilibrium to their balance of payments.

Second, there is evidence that some banks are now becoming very reluctant to provide any fresh finance, particularly to smaller debtor countries such as Ecuador, whose recent $200m loan was unexpectedly slow to meet support.

Mr David Mulford, U.S. Assistant Treasury Secretary, says: "There is a tendency, where a small country is performing well, for banks to drop out. They should make an economic judgment and support countries that are still performing."

Even Chile, with debts of $20bn, has encountered resistance to its initial request for a $1.05bn bank loan and may have to settle for a smaller amount, while the Philippines may face delays on IMF drawings because it cannot complete its $925m loan from bank creditors while National Commercial Bank of Sandi Arabia refuses to put up its $12m share.

Third, there are growing fears that the recovery in the balance of payments of many debtor countries may be reversed by a sharp fall in the dollar in exchange markets. That could lead to higher interest rates, adding to the burden of debt service and limiting export possibilities to the U.S.

Already doubts are growing about Brazil's ability to meet its $28bn export target for 1985, and some creditor banks are beginning to wonder privately whether the country will, after all, have to turn to the banking system for fresh finance before the year is out.

One New York banker who sits on several rescheduling committees warned at the Vienna meeting that "1985 could be the worst year yet" of the debt crisis. His remarks were echoed by Sr Guillermo Garrido-Lecca, Finance Minister of Peru, whose country by common consent faces about the most intractable problems of all the medium-sized debtors.

He said: "I don't think the worst is over. The amounts that Latin American countries owe are so large and you have a net export of capital that makes no sense. Latin American countries will have to limit or reduce or change their adjustment programmes."

Pleas for more lenient treatment, however, still seem likely to fall on deaf ears in the IMF and the main governments of the industrialised world.

Senior bankers say the IMF cannot ignore the failure by debtors such as Brazil and Argentina to bring down their inflation. Triple digit rates of inflation inevitably bring risks of capital flight and make it impossible to maintain a realistic exchange rate, which in turn leads quickly to renewed balance of payments crisis, they say.

Moreover, there is little chance of any new initiatives being endorsed by industrial country governments at next month's IMF interim committee meeting in Washington, which is to concentrate on the debt crisis.

Mr Mulford said: "There is no global solution: it doesn't exist, except if you assume that national budgets could or should be expanded to buy and restructure debts."

Besides, he continued, progress has been made over the past year. By the end of 1984, all major debtors except Nigeria had adopted IMF adjustment programmes or were in negotiation with banks, and there has been a "fairly considerable measure of good performance."

Sr Jesus Silva Herzog, Mexico's Finance Minister, says, however: "We have a long way to go, and we have to maintain the pace. We need a more durable and sustained solution to the debt problem."

Today's Mexican signing may just help sustain the pace a little longer. In the eyes of many bankers, it could well reinforce the position of Sr Silva Herzog as the senior statesman on finance in Latin America, and most hope that Mexico will continue to exercise a moderating influence on the rest of the continent.

Across the continent problems are growing, however. It is a sign of the times that so many ranking finance ministers missed this year's Inter-American Bank meeting, normally one of the high points on the Latin American financial calendar. Four of them – from Argentina, Brazil, Chile and Colombia – had more pressing tasks to deal with at home.

# Pretoria abandons Mozambique mediation

BY ANTHONY ROBINSON IN CAPE TOWN

THE SOUTH AFRICAN Government has given up its attempt to try to arrange a peace agreement between the Frelimo Government and the rebel Mozambique National Resistance (MNR) and is now "seeking ways of co-operating with the Frelimo Government to eliminate the MNR threat."

This shift in policy was revealed by Mr Louis Nel, Deputy Minister of Foreign Affairs, in an interview. It follows a series of bilateral meetings between the two governments after which both sides reaffirmed their commitment to the March 1984 Nkomati accord which ended covert South African support for the MNR rebels and was a key breakthrough in the republic's relations with its black neighbours.

Mr Nel said the attitudes of both Frelimo and the MNR had hardened. The MNR is determined to press for a military solution in its guerrilla war against the Government, while Frelimo is seeking international co-operation to cut off the MNR supply lines and neutralise its foreign backers. Mr Nel said: "Our priority now is to help get rid of the MNR and to work with the international community to block the MNR's supplies."

Mr Pik Botha, Foreign Minister, revealed two weeks ago that South African police had uncovered a counterfeiting gang in Johannesburg which had been printing false dollar and rand notes as well as MNR propaganda. The counterfeit money had been used to buy ivory, diamonds and emeralds, smuggled out of Mozambique to finance arms and other support for the MNR, he said.

Having cut off this South African source of aid to the MNR, and sacked 10 members of the South African Defence Force with MNR links, South Africa is now drawing attention to the support provided by wealthy Portuguese ex-colonials living in Brazil.

According to Mr Nel, the main foreign backer of the MNR is Sr Antonio Champalimaud whose extensive business interests in colonial Mozambique were expropriated after independence and who now lives in Brazil. He also named Sr Manuel Bulhosa, former owner of the oil refinery in Maputo, who has extensive printing and other interests in Portugal, Spain and elsewhere. Such men were trying to turn Mozambique into their own private economic preserve, Mr Nel said.

Foreign support for the MNR was not restricted to wealthy ex-colonialists, however, but also came from Arab states in the Gulf, ostensibly in support of the 3m to 4m Moslems living in the north of Mozambique, Mr Nel added.

Sr Bulhosa could not be contacted this week in either Lisbon or Madrid, where he is said to have business interests. Sr Champalimaud, who lives on a ranch in the Brazilian province of Minas Gerais, was also not available for an interview.

South Africa has strengthened its own border patrols, declared its Mozambique border airspace a restricted zone and set up a chain of radar stations to detect low flying aircraft. It is also co-operating with the Mozambique Government in its effort to stop the infiltration of men and supplies through other bordering countries such as Malawi.

"We are cutting off all avenues of supply known to us and are determined to do all that we can to help Mozambique short of military assistance, which has not been asked for by the Mozambique Government," Mr Nel added.

South African support for the Frelimo Government and commitment to the Nkomati accord reflected the republic's appreciation of the diplomatic value of Nkomati to South Africa and the conviction that an MNR takeover in Maputo would lead to a rapid deterioration in relations between the two countries, he said.

"We would expect an MNR Government in Maputo to be violently anti-South African. That is a popular position in the world right now and they would use anti-South African rhetoric as a smokescreen for the real nature of their own regime", he added.

Politics Today, Page 19

# SEC shies off new securities regulation

By Paul Taylor in New York

MR JOHN SHAD, chairman of the U.S. Securities and Exchange Commission (SEC), has told congressional investigators probing the collapse of ESM Government Securities that the SEC favoured self-regulation by government securities dealers as a means to avert similar failure in the future.

Mr Shad's comments appear to confirm the reluctance of the SEC to bow to pressure from Congress and elsewhere, in the wake of the ESM collapse this month, to become more involved in the regulation of the booming government bond market – particularly the regulation of complex "repurchase" and "reverse repurchase" agreements, forms of short-term money market instruments, which total around $300bn a month.

In the aftermath of the ESM failure, which has sent shock waves through the U.S. financial system, regulatory agencies including the Federal Reserve Board and the SEC have appeared deeply divided over what agency, if any, should be responsible for regulating the government bond dealers.

In part, that appears to reflect the difficulty of regulating a diverse market embracing thousands of players, the additional cost of such a system and concerns that new regulations, however tight, might still fail to catch dealers involved in fraud.

Mr Shad, however, testifying before a second congressional hearing, suggested that the Fed "could have done a lot more" to avert difficulties in the largely unregulated government securities market and firmly endorsed self-regulation as an alternative to greater government agency involvement.

The SEC chairman specifically suggested that government dealers set up their own organisation to police the industry but did not say whether such an organisation should come under the auspices of the SEC or the Fed.

Indeed, Mr Shad suggested that the Fed or the Treasury was better suited to the task of monitoring the activities of government securities dealers.

Mr Shad's comments contrast sharply with those of Fed officials, including Ms Martha Seger, a Fed governor, who told Congress this week during her confirmation hearings that some regulation of small government bond dealers would probably prove necessary in the wake of the ESM collapse and that the SEC would be the "logical" agency to undertake that.

Last week a House of Representatives subcommittee gave the Reagan Administration 90 days to come up with proposals for new legislation for regulating the government securities market. Since then there has been a series of meetings between Fed, SEC and Treasury officials on the subject.

Meanwhile, the Fed is seeking comments on its own proposals, made in February ahead of the ESM collapse, for voluntary capital adequacy standards for U.S. government securities dealers. Those comments are due to be filed by the end of the month.

# Two UK banks cut rates

Continued from Page 1

to see a rapid fall from present high levels.

Since the beginning of the month, sterling has appreciated by 9½ per cent in terms of the Sterling Index and has gained 14½ per cent against the dollar. For the time being, all talk of sterling-dollar parity appears to have disappeared from the markets. Nevertheless, the appreciation against the D-Mark (up 6½ per cent since the start of the month) does not appear to be especially welcome.

Although the dollar has depreciated by 6 per cent since its record level at the end of last month, yesterday's trade-weighted value was no lower than at the beginning of the year.

● **Paul Taylor in New York writes:** U.S. bond prices soared in early trading yesterday as U.S. short-term interest rates dropped amid a growing perception on Wall Street that the Federal Reserve Board's policy-making Federal Open Market Committee voted this week to keep a relatively light hold on the U.S. monetary reins – rather than tightening, as some economists had earlier feared.

# Zanussi continues to suffer heavy losses

BY JAMES BUXTON IN ROME

ZANUSSI, the Italian domestic appliance maker which last year passed under the control of Electrolux of Sweden, is still "technically insolvent," Sig Gian Maria Rossignolo, the company's new chairman, said in Rome yesterday.

Sig Carlo Verri, the managing director, said that 1984 had been a worse year in financial terms than the company had foreseen even last autumn. He gave no overall loss figure, but said that the company had lost L65bn ($32.4m) on foreign exchange alone.

It had also suffered from delays in finalising the recapitalisation of the company by Electrolux and from higher losses deriving from the sale of non-essential subsidiaries. In 1983, the Zanussi group lost L51bn.

Zanussi's new bosses yesterday presented to the Government and unions their recovery plan for the company. It entails the loss of 4,848 jobs from a labour force that at the end of last year stood at 18,882.

The company, whose debts had to be rescheduled and written off last year, is to make use of all "non-traumatic" ways of shedding labour but will not sack anyone. Some 1,290 employees are already on permanent state-subsidised lay-off, which means that the number of those who will actually have to leave their jobs in the near future is correspondingly less.

Nevertheless, if the cuts are carried out, Zanussi will have seen its Italian labour force drop from 29,000 in 1982 to 14,000 due to voluntary retirement, sale of subsidiaries and other means.

The company is to invest L300bn in three years to raise the technological standards of the group to those of its Swedish parent. The degree of automation in company plants would be increased. Sig Rossignolo said the company intended to join the ranks of the top quality white goods makers in Europe instead of being "a good second best."

Sig Verri, who said that group sales in 1984 totalled about L1,700bn, said that the company was concluding further major deals with China. It had already signed contracts with the Chinese authorities for $60m of plant and equipment, and expects shortly to sign a further $55m worth.

# KHD to buy Allis-Chalmers businesses

By Paul Taylor in New York

ALLIS-CHALMERS, the financially struggling U.S. farm equipment manufacturer, yesterday agreed to sell its loss-plagued agricultural equipment business and its finance unit to Klöckner-Humboldt-Deutz AG of West Germany for an initial $100m in cash.

The deal means that the U.S. group, which has recently been involved in a series of negotiations with its lenders, will be forced to take a substantial write-off. Allis-Chalmers said yesterday that the businesses involved in the sale have been carried on its books at about $260m.

Last month, Allis-Chalmers announced a $103m loss for 1984 on sales of $1.33bn and warned that it might have to take substantial write-offs if it concluded talks on the sale of some of its assets.

Allis-Chalmers is the second large U.S. group to get out recently of the troubled farm equipment business. Last year International Harvester agreed to sell its farm equipment operations to Tenneco.

## World Weather

| | | °C | °F | | | °C | °F | | | °C | °F | | | °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | F | 13 | 55 | Dubrovnik | F | 15 | 59 | Malaga | - | — | — | Salzburg | Sn | 3 | 37 |
| Akrotiri | C | 18 | 64 | Faro | S | 17 | 63 | Malta | - | — | — | Seoul | S | 8 | 46 |
| Algiers | - | — | — | Florence | - | — | — | Manila | - | — | — | Singapore | F | 28 | 82 |
| Amsterdam | C | 5 | 41 | Frankfurt | C | 6 | 43 | Miami | F | 22 | 72 | Stockholm | C | 1 | 34 |
| Athens | S | 21 | 70 | Funchal | C | 17 | 63 | Milan | F | 13 | 55 | Strasbourg | F | 5 | 41 |
| Bahrain | S | 24 | 75 | Geneva | R | 12 | 54 | Moscow | C | 3 | 37 | Sydney | S | 24 | 75 |
| Bangkok | S | 34 | 93 | Gibraltar | - | — | — | Munich | - | — | — | Taipei | R | 21 | 70 |
| Barcelona | - | — | — | Guernsey | - | — | — | Nairobi | C | 26 | 79 | Tangier | S | 15 | 59 |
| Beirut | F | 19 | 66 | Helsinki | C | 2 | 36 | Naples | - | — | — | Tehran | - | — | — |
| Belgrade | C | 18 | 64 | H. Kong | C | 23 | 73 | New Delhi | S | 31 | 88 | Tel Aviv | F | 21 | 70 |
| Berlin | C | 5 | 41 | Innsbruck | - | — | — | New York | S | 24 | 75 | Tenerife | - | — | — |
| Biarritz | - | — | — | Inverness | - | — | — | Nice | - | — | — | Tokyo | C | 11 | 52 |
| Blackpool | - | — | — | Istanbul | S | 9 | 48 | Oporto | S | 14 | 57 | Toronto | C | 17 | 63 |
| Bordeaux | - | — | — | Jersey | - | — | — | Oslo | F | 4 | 39 | Tunis | R | 12 | 54 |
| Brussels | F | 7 | 45 | Jo'burg | F | 22 | 72 | Paris | F | 7 | 45 | Valencia | F | 15 | 59 |
| Budapest | C | 7 | 45 | Las Palmas | - | — | — | Prague | F | 3 | 37 | Venice | - | — | — |
| B. Aires | F | 25 | 77 | Lima | S | 26 | 79 | Reykjavik | S | -8 | 18 | Vienna | F | 14 | 57 |
| Cairo | S | 25 | 77 | Lisbon | C | 16 | 61 | Rio de J'o | S | 36 | 97 | Warsaw | C | 4 | 39 |
| Cape Town | S | 32 | 90 | Locarno | F | 11 | 52 | Rome | S | 20 | 68 | Zurich | F | 3 | 37 |
| Caracas | R | 27 | 81 | London | C | 8 | 46 | | | | | | | | |
| Casablanca | F | 16 | 61 | Los Angeles | F | 18 | 64 | | | | | | | | |
| Copenhagen | C | 4 | 39 | Luxembourg | - | — | — | | | | | | | | |
| Corfu | S | 16 | 61 | Madrid | S | 17 | 63 | | | | | | | | |
| Dublin | C | 8 | 46 | Majorca | - | — | — | | | | | | | | |

*Readings at mid-day yesterday:*

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

# Olivetti, Xerox in talks

Continued from Page 1

tribution channel available through AT&T.

Last year, while AT&T bought $160m of Olivetti workstations, the Italian company imported some $25m of AT&T's 3B computers and terminals. At a press conference in Berlin yesterday, Sig Vittorio Levi, executive vice-president of Olivetti in charge of operations, predicted that this year AT&T would purchase between $250m and $300m of Olivetti workstations. Olivetti, meanwhile, expects to import between $60m and $70m of AT&T products this year.

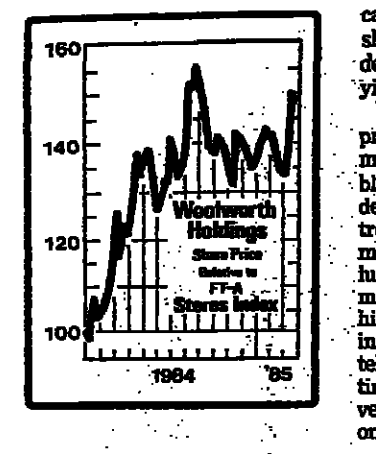
**Our U.S. staff writes:** In the U.S., Xerox has refused to comment on the proposed deal. However, the company made clear last month that it was not pulling out of the market and would have a new "follow-on product announcement" shortly.

Industry analysts confirmed yesterday that an announcement was imminent in the U.S. of the Xerox-Olivetti deal involving the marketing of the Olivetti M-24 machine – already marketed in the U.S. by AT&T as the 6300.

THE LEX COLUMN

# At last, something for nothing

The traffic lights in Lombard Street yesterday were jammed on red and green at once, as two UK clearing banks dropped their base rates by half a point while the other two thought it better to wait. The interbank cost of funds – still 13⅞ for one month money – suggests that National Westminster may have been a little too quick for comfort. Unless the traffic police show up in person, this morning, monetary confusion is likely to persist.




## Woolworth Hldgs

Under its previous management, Woolworth would surely have reported £100m before tax for the year to February – without much in the way of qualification as to the nature or repeatability of that result. The £105.8m exhibited by the present regime is a rather different product, and of rather more promising quality; in the narrow and unstable market for Woolworth shares, the results were good enough to put 62p on the share price yesterday, taking them to 747p.

Knocking off Woolworth's £55m surplus on property sales, now back above the line as an exceptional item, the operating result is about twice as good as a year ago. The growth of B&Q took the market rather by surprise; it was a bit hard to see the do-it-yourself stores making half of total trading profits in the face of their rapid physical expansion. Equally, Comet did better than most people expected in the second half. The old F. W. Woolworth chain is probably moving the right way, though the accounts state candidly that after paying an economic rent for its freeholds the stores made a little less than nothing from over £1bn of sales; still plenty of scope for improvement.

## Corporate zeroes

Although day-to-day arrangements in the money market do not seem to be running terribly well at present, some longer term parts of the policy have suddenly started to click. The opening of the short sterling bond market last week has now been followed by Redland's enterprising launch of the first zero-coupon sterling Euronote. An opening which theoretically came into being with the 1984 budget has now become attractive in practice since the abolition of bond washing last month.

The advantage to Redland is that it can borrow nearly £30m of seven-year money at an effective cost of 11 per cent – a good half-point cheaper than the conventional bond market could offer. And even though the redemption value of the note is £60m, the auditors have been persuaded that the liability should stand in the balance sheet at its discounted present value.

The asymmetry of tax treatment which Mr Nigel Lawson, the UK Chancellor of the Exchequer, introduced last year also means that while Redland suffers no tax disadvantages – through not actually paying the tax-deductible coupons of conventional debt – lenders can reap a modest profit by deferring their liability to income tax until their gain is realised. Obviously attractive to lenders who expect their tax rate to fall over the seven-year maturity span, the deferral of interest and tax should also appeal to middle-rate taxpayers, to whom the grossed-up redemption yields compare very favourably with equivalent gilt-edged. It will be no surprise to the managers of the issue if it ends up largely in the hands of UK personal tax payers – Euro status notwithstanding.

## Ladbroke

Ladbroke found the going pretty easy yesterday as it sailed past the £50m pre-tax profit and £1bn turnover posts, helped by a crack of the whip from property, where profits for 1984 more than doubled. Though earnings per share stood still because of last year's rights issue, the shares welcomed the increased dividend and generous 5½ per cent yield by climbing 6p to 254p.

By changing its breakdown of profits, however, Ladbrokes has managed to disguise the odd stumble. Laskys – included last year under the glamorous "consumer electronics, video and electronic communications" title – has now been lumped into a general "entertainments" category, presumably to hide the fact that it contributed £3m in 1983 and nothing last year. Hotels, predictably, did well and betting managed to recover from a very poor first half to leave the total only just ahead.

Growth for the next year or two is pretty much assured, with property profits racing up and acquisitions in betting and hotels contributing for the first time: in 1985, profits should top £70m. But a sudden spurt in sterling would do no good for the hotel division and in the world of property dealing, nothing is a safe bet for long.

## P&O

Since the merger of Sir Jeffrey Sterling's two companies is fact, and much-applauded at that, yesterday's trading results for 1984 from P&O will probably not command much of a readership. Those who do leaf through the report and accounts might wonder why a company which lost a fifth of its operating profit last year should now have its earnings valued at a premium of a fifth to the market.

But for the container business, trading profits would have been dismal since even a strong dollar could do little for the cruise operation while the loss from ferries multiplied tenfold. This figure does include some £2m of old interest and there was a dock strike, but it is easy to see the enthusiasm which P&O brought to shedding the cross-channel business. In fact, P&O's cash management can scarcely be faulted, with a string of disposals wiping £25m off working capital.

P&O shareholders may still ask themselves whether the merger with Sterling Guarantee was really worth the dividend cost – but at least a single-minded management must be counted a benefit. The share price rose another 7p yesterday to 352p.



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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday March 29 1985



# U.S. banks admit breaching rules on money laundering

BY OUR FINANCIAL STAFF

BANK of Boston, the biggest bank in New England, disclosed yesterday that it failed to report a further $110m in foreign interbank transactions under U.S. Government rules designed to prevent money laundering.

Last month the bank pleaded guilty to a charge of failing to report $1.2bn in cash transactions with overseas banks. Since then several other U.S. banks have revealed failure to report certain cash transactions.

Yesterday, Bank of Boston said it had filed 1,200 reports with the Federal Government on the new batch of $10,000-plus transactions, between July 1980 and January 1985.

Mr William Brown, chairman, said about $73m of the $110m total represented 59 transactions between the Central Bank of Haiti and Bank of Boston's international banking subsidiary in Miami.

Earlier this week, Irving Trust of New York said it had discovered a total of $292m in cash transactions with 38 foreign banks since 1980 that had not been reported. Manufacturers Hanover Trust said it did not report 1,400 transactions totalling $140m since 1980, while Chemical Bank said it failed to report $35.9m in cash transactions over the past five years.

First Chicago and BankAmerica both acknowledged there had been violations, but did not disclose the amounts involved.

The currency transaction law is designed to give authorities power to investigate cases involving drug deals, corruption and organised crime where large amounts of cash change hands.

Banks have been scrutinising their cash-transaction reporting since First National Bank of Boston pleaded guilty last month to a felony charge of failing to report $1.22bn in cash transactions with European banks.

Irving Trust said that in some cases it had filed the wrong government form.

# Woolworth doubles profits to £56.8m

BY DAVID CHURCHILL IN LONDON

WOOLWORTH Holdings yesterday published sharply improved profits ahead of expectations which left its share price 62p up on the day to close at 747p.

Group profits, before exceptional items for the year ending February 2 1985 were £56.8m ($68.7m) compared with £29.4m in the previous year, on turnover up from £1.26bn to £1.66bn. After taking into account property sales, pre-tax profits were £105.8m against £56.5m in the previous year.

The improved profits performance, however, came in spite of a poor trading performance within the group's 875 stores, which turned in a trading loss of £5.1m against a £7.8m profit in the previous year. This loss was partly due to a £16m increase in the rentals charged on its stores by head office, although Mr John Beckett, the group chairman, last night admitted that the "performance was not yet at all satisfactory even though the potential is there."

He said that the new management team was currently implementing a new trading and marketing strategy which was still "in its turn-around phase."

The sparkle in Woolworth's profits performance, however, came from its other retail operations. The 153 B&Q do-it-yourself shops produced trading profits of £28.6m

# Bayer increases U.S. profits

BY JOHN DAVIES IN FRANKFURT

BAYER, the West German chemical and pharmaceutical group, has strongly increased its sales and profits in the U.S., where it has been building up its activities in recent years.

The group's U.S. subsidiaries lifted their sales revenue by 14 per cent to $3.9bn last year, while their consolidated pre-tax profit shot up 37 per cent to $238m.

With the dollar at a high level against the D-Mark, the U.S. results are a powerful boost for the Bayer group.

Although Bayer has not yet disclosed its overall results, it indicated late last year that it expected record profits. A dividend increase is widely expected.

The U.S. has become an increasingly important market for Bayer. The company indicated late last year that sales in North America, chiefly the U.S., were expected to exceed those in West Germany for the first time.

Its Mobay Chemical subsidiary in the U.S. lifted its sales revenue by 19 per cent to $1.55bn last year,

# IBM to market fail-safe computers

By Louise Kehoe in San Francisco

IBM has announced its entry into the fault-tolerant computer market with the launch of a series of machines that are guaranteed not to fail even if some parts of the system go down.

The announcement follows an IBM agreement to market computers manufactured by Stratus Computer.

Fault-tolerance, the ability to keep working despite component failures, is achieved by duplicating many of the major sections of the computers.

IBM's new System 88 computers will be available in limited quantities this year, the company said. Prices will range from $150,000 to $500,000. IBM expects the computers to find acceptance in applications where computer failures are particularly problematic such as banking, where the machines might link automatic tellers, in retail point-of-sale applications, in hospital information systems and in manufacturing control systems.

IBM's entry into the fault-tolerant market poses a competitive threat to Tandem Computer, the current leader in this sector of the computer market with 1984 sales of about $530m.

The market for transaction processors, which includes fault-tolerant machines, is growing at an annual rate of about 30 per cent and is currently valued at about $25bn.

IBM has previously addressed this market only with conventional computers. The announcement of fault-tolerant models is expected to increase IBM's considerable strength in this sector.

# Citicorp renews bond dealing application

NEW YORK-Citicorp, the biggest U.S. banking group, has resubmitted an application seeking approval from the Federal Reserve Board to underwrite types of securities in which commercial banks are not allowed to deal.

The bank is seeking approval to have a subsidiary underwrite and deal in municipal revenue bonds, including some forms of industrial revenue bonds which have a public purpose, mortgage-related securities and consumer receivable related securities.

The bank holding company had previously sought approval to have the subsidiary, Citicorp Securities, underwrite and deal in corporate debt securities including commercial paper, but is not including this in the new application. Agencies

STAGE SET FOR NEW OIL TAKEOVER TUSSLE

# Mesa faces battle for Unocal

BY WILLIAM HALL IN NEW YORK

WHEN Mr Fred Hartley, the 68-year-old combative chairman of Unocal, the West Coast integrated oil group, read, in a leading U.S. business magazine recently, that his company was "up for sale," he dispatched an angry telegram to correct "this shocking mis-statement."

Unocal, which aside from its large oil and gas reserves produces over half the world's geothermal energy, was certainly not for sale, said Mr Hartley, and intended to continue as "an innovative high-technology company concentrating on long-term growth in basic earth resources."

The punters on Wall Street have heard this line many times before as companies such as Cities Service, Gulf Oil and, most recently, Phillips Petroleum, prepared to do battle with Mr T. Boone Pickens, the maverick Texas oilman, who has precipitated the biggest restructuring of the U.S. oil industry in decades. Unocal's share price has risen from around $35 at the start of the year to $45 at the beginning of March. Yesterday the shares rose another $1⅛ in early trading to $49.

As far as Wall Street is concerned, Mr Pickens and his fellow investors, who bought a 7.3 per cent stake in Unocal last month and this week increased it to 13.6 per cent, have put the beleaguered company "into play" – investment banking parlance for the start of a takeover battle.

Yesterday, Mr Pickens's Mesa Petroleum disclosed that it wanted to postpone Unocal's annual meeting because it was considering making a tender offer, either alone or with partners, for the Los Angeles-based company which is currently capitalised at $8.5bn.

The stage has been set for another rough and tumble takeover battle in the oil patch, but even Mr Pickens's most ardent fans on Wall Street admit privately that Unocal will be no pushover. The company's recent performance has been lacklustre, but over the longer term Unocal has done well.

Its latest annual report highlights the fact that, if an investor had bought $10,000 worth of Unocal stock in 1960, it would now be worth $127,000 and have given an annual rate of return of 15 per cent on the investment. By contrast, a similar investment in Exxon, Chevron, Mobil and Texaco would be worth about $37,000 and have yielded an annual rate of return (stock appreciation plus dividends) of 10.8 per cent.

The company has been replacing virtually all of its oil production with new reserves and has recently made a significant discovery in the offshore Californian waters. It has sizeable reserves of natural gas, which will come in useful when the gas market eventually recovers, and is one of the leaders in alternative energy sources such as oil shale and geothermal properties, which generate steam from underground volcanic formations.

Mr Hartley, who has headed the company for two decades and shows no interest in retiring, has surrounded the company with takeover defences. The company has substantial financial flexibility, given that debt only accounts for 18.2 per cent of its capital compared with an average 38 per cent for the biggest U.S. oil companies.

There is clearly no love lost between Mr Pickens and Mr Hartley, who has not been afraid to throw his punches around. He has debunked Mr Pickens's image that he is representing America's small shareholders on a personal crusade, against entrenched management. Mr Pickens's motive is pure financial gain, says Mr Hartley, who notes that Mesa awarded its chairman $27m in bonuses last year, more than twice as much as Mesa shareholders received in dividends.

Mr Hartley has lobbied everyone from Mr Paul Volcker, the chairman of the Federal Reserve, downwards. He was so angry when he found that Security Pacific National Bank, Unocal's lead bank for the last 40 years, was financing Mr Pickens, that he took the bank to court, charging that it had betrayed his company and misused its confidential data.

Mr Hartley's attack appears to have had some effect and Mesa Petroleum says Security Pacific has asked to withdraw from its credit line.

Whether Mr Hartley's combative mood will be sufficient to win the day against Mr Pickens remains to be seen. Wall Street analysts have already run Unocal's figures through their computers and believe there are a few points more in the stock before the fun is over and they can move onto the next target.

# GTE Sprint steps up price war

By William Hall in New York

GTE Sprint, the long distance U.S. telephone company, will begin offering cut-price transatlantic telephone calls to the UK from the beginning of April. The move is the latest sign of the escalating price war in a market which has traditionally been dominated by AT&T.

GTE Sprint is following in the footsteps of MCI, another competitor spawned by the deregulation of the U.S. telephone industry, which recently began competing with AT&T in the international long distance telephone market, which is believed to be worth $6bn a year.

GTE Sprint's 1.4m customers will be able to save as much as 35 per cent, compared with AT&T's transatlantic rates, on calls to the UK from April 1. GTE says that the UK is the largest overseas telephone market, representing more than 20 per cent of the international calling traffic with the U.S. Sprint said that British Telecom International will ultimately serve as a major transit point for its traffic to other countries.

Mr Donald Prigmore, president of GTE Sprint, described the move as a major marketing opportunity and said it demonstrated that GTE intended to be involved in all principal areas of the overseas market.

# Whitbread sues over franchises

BY CARLA RAPOPORT IN LONDON

WHITBREAD, the UK brewer, yesterday said it was seeking $255m in compensation through the U.S. courts following the loss of two important franchises that it thought it had acquired through the recent purchase of Buckingham Corporation.

Its U.S. subsidiary, Whitbread U.S., has filed complaints with a New York court that it has been the victim of an unlawful scheme set up by Mr Stephen Karp, a former Buckingham senior vice-president, the company's former attorneys and the producers of Mouton Cadet wines and Finlandia vodka. It is seeking damages for the loss of the exclusive distribution rights in the U.S. for these two products, which had previously been distributed by Buckingham.

Whitbread bought Buckingham for $110m last October from Beatrice Companies in the belief that the company would retain these rights, only to find that they had been acquired by Mr Karp.

It has filed a civil complaint seeking $145m from Baron Philippe de Rothschild, maker of Mouton Cadet wines, and Oy Alko Ab, maker of Finlandia vodka.

In another action, acting as Buckingham, it has filed for $80m in damages from the company's former attorneys Abraham and Joel Buchman, and their law firm. It alleges that, while retained as legal counsel to Buckingham, they secretly assisted Mr Karp in his alleged unlawful scheme to steal the Mouton Cadet and Finlandia distribution rights from the company.

Whitbread has already filed suit against Mr Karp, alleging that he engaged in an "unlawful scheme to steal from Buckingham the valuable long-standing distribution rights held by Buckingham under contract."

# Philips silent on Polygram takeover

By Laura Raun in Amsterdam

PHILIPS, the Dutch electronics group, yesterday refused to comment on reports that a group of U.S. investors would take a majority stake in Polygram Records, its 90 per cent-owned subsidiary.

Polygram also refused to make a statement about the report, which said the group is led by Mr Alan Hirschfield, former chief executive of Twentieth Century Fox.

Both companies would say only that talks were being held with a number of parties on a possible sale of a stake in Polygram.

Philips boosted its stake in Polygram to 90 per cent, some 50 per cent by acquiring four fifths of Siemens' stake in the record company. Siemens, the West German electronics company, retained a 10 per cent interest in Polygram through a direct holding in Deutsche Grammophon, the successful classical music label owned by Polygram.

At the time of the acquisition, Philips said it still intended to find a new partner for Polygram, following the ill-fated talks with Warner of the U.S.

# Banco di Roma ahead 15%

By Alan Friedman in Milan

BANCO di Roma, the Italian state-controlled bank which is one of the country's five biggest, last year recorded a 15.6 per cent rise in net profits, to L40bn ($19.5m). The result comes only days after the other two national interest banks controlled by the IRI state holding group (Credito Italiano and Banca Commerciale Italiana) each produced dramatically higher 1984 profits.

Credito Italiano announced more than doubled net income, to L89bn, while BCI announced a 64 per cent leap in net profits to L91.2bn.

# INTL. COMPANIES & FINANCE

## Hypo pays more and sees good year

BY JONATHAN CARR IN MUNICH

THE BAYERISCHE Hypotheken-und Wechsel-Bank (Hypo), which has just announced a higher dividend with bonus for 1984, looks set for more strong profits this year after boosting interest and commission income in the first two months.

Dr Wilhelm Arendts, chief executive, said the Bavarian-based bank had raised its interest margin—the difference between interest earned and paid—above last year's average 3 per cent, while commission earnings were up over 28 per cent.

He saw good prospects of maintaining or even increasing its key interest rates to strengthen the D-mark against the U.S. dollar.

So long as the central bank kept to a steady course, the financial markets would become less nervous, domestic interest rates would gradually fall and banks' interest margins stood to improve, Dr Arendts said.

The ability of the Hypo to increase its margin already this year, despite an unfavourable environment of rising interest rates, is felt to confirm its status as one of the strongest earners among the top West German banks.

The Hypo is proposing to raise its dividend for 1984 to DM 10 from DM 9 per share, and to pay a DM 2.50 bonus to mark its 150th anniversary this year. Along with the shareholders' tax benefit, this will amount to a total payout of nearly 40 per cent.

The bank is also carrying out a one-for-seven rights issue, using up the final DM 138m ($44m) trance of the DM 200m capital increase approved by shareholders in 1983. The new shares, with an issue price of DM 200, will receive the full dividend for this year.

At the shareholders' meeting in May, the Hypo will also seek approval for a further increase in capital of DM 250m over the next five years.

The Hypo's strong profits performance is due not least to its relatively modest involvement in foreign credit business, with its low margins and high risks.

It is understood that of the total sum the Hypo set aside for risk provision last year, only one-quarter involved foreign risk—a lower share than that recorded by many of its key rivals.

With credit risks lower at home, thanks in part to strengthening economic recovery, the Hypo thus felt able to set aside markedly less provision overall than it had done in 1983. The exact figures are not revealed, however.

Thus while (pre risk-provision) "partial operating profit" dropped by 4.5 per cent to DM 713m, "full" operating profit (after risk provision) was well up on the 1983 result.

Parent bank total after-tax profit was up by 45 per cent to DM 160.8m, of which DM 25m is being added to open reserves and the rest used for the dividend and bonus payout.

The parent's total assets rose by 9.8 per cent to DM 70.2bn, while those of the Hypo group (including the Luxembourg subsidiary) were up by 8.2 per cent to DM 105.1bn.

**COMMERZBANK, the West German commercial bank, is paying a dividend of DM 6 per share for the second year in succession.**

**Although it has not yet disclosed its operating earnings, the group's net profit rose to DM 263m ($84m) from DM 213m in 1983.**

**As a step towards strengthening its capital position, Commerzbank plans to seek *formal* approval of its shareholders in May to issue participatory certificates of up to DM 500m during the next five years.**

**The supervisory board of Dresdner Bank, West Germany's second largest bank, yesterday endorsed the management board's recommendation to increase the bank's dividend to DM 7.50 per share from DM 6.**

## German retailer deeper in red

BY JOHN DAVIES IN FRANKFURT

HERTIE, West Germany's third largest department store group, suffered a loss of DM 146m ($46.7m) last year—a setback to its long-running recovery programme.

The group, which runs well over 100 stores throughout the country, has nevertheless made an encouraging start to the year with sales revenue picking up after a decline last year.

Hertie, which is largely owned by private trusts, has been carrying out major restructuring efforts over the last few years after running up a series of losses.

As part of a thoroughgoing shake up, it has embarked on store modernisation with emphasis on quality and design, and has rid itself of some unprofitable and down-market shops, notably some in the Bilka chain.

But after the operating loss declined to DM 16m in 1983, problems mounted up last year and recently touched off the resignation of Herr Bruno Lippmann, who was brought in as chief executive four years ago.

The whole retail sector in West Germany has been under pressure in recent years, with intense competition and with consumer spending staying weak because of recession and unemployment. But Karstadt, Kaufhof and Horten have all made major progress, while Hertie's strategy has been called into question.

Hertie is bringing in Dr Arthur Wollert from BMW, the car maker, to take charge of personnel policy and his tasks are expected to include a strategy for pruning the company's workforce. So far, Hertie has not yet announced a successor to Herr Lippmann in the top job.

Hertie had sales of DM 5.72bn last year, a drop of 6.1 per cent.

## Linde ahead as orders soar

BY OUR FRANKFURT STAFF

LINDE, the West German engineering and industrial gases concern, is benefiting from an improved flow of orders, on top of its buoyant performance last year.

With industrial investment picking up in domestic and export markets, the Linde group's new orders in the first two months of this year were 31.6 per cent ahead of a year ago.

Dr Hans Meinhardt, the chief executive, said that the number of process plant projects on hand had increased substantially, so that the engineering workforce and production capacity in this line of business were again fully utilised. Operations have been boosted in particular by a recent DM 100m ($32m) East German order for a high-density polyethylene plant.

Dr Meinhardt said that the order inflow was also running strongly in the fork lift truck and hydraulic equipment division and in the refrigeration business. Deliveries of industrial gases were continuing to increase.

Including all companies at least 50 per cent owned, Linde's world-wide sales revenue rose 7.1 per cent to DM 3.6bn last year.

Consolidated group sales showed a 2.6 per cent decline to DM 2.6bn partly because of a decision to hive off operations involving cold stores and turbo machinery. But this slimmed-down core group increased its pre-tax profit by 18 per cent to DM 148.3m.

Linde, which is Western Europe's largest manufacturer of fork lift trucks, has strengthened its position with the takeover last year of fork life truck operations from the ill-fated Fenwick Manutention of France.

Its fork lift truck and hydraulic equipment division is now the biggest single line of business, making up 31 per cent of world sales revenue last year, compared with 27 per cent

After falling drastically in recent years, the world market for fork lift trucks has been showing signs of recovery and Linde has ended short-time working in its operations, as well as launching a new model range.

Baker Material Handling, the U.S. subsidiary which has been provig a loss-making headache for Linde, greatly improved its results last year but was hit by the cost of major restructuring measures. Dr Meinhardt said that Baker returned to profits in the second half of last year and should show a profit for 1985.

## EBG earnings hit by large provisions

By David Lascelles, Banking Correspondent

EUROPEAN Banking Group, the combined UK-Belgian bank owned by the EBIC consortium, suffered a 30 per cent fall in profits last year, mainly because of the board's decision to make large provisions against possible losses. Profits after tax were $11.5m, compared to $16.4m in 1983.

The group is making general provisions to cover its exposure to Third World countries which are rescheduling their debts. A specific provision is also being made for the maximum loss possible in a legal dispute in which the bank is involved in the U.S. The dispute concerns a venture in wood drying technology in which a judgment went against EBG, but an appeal is outstanding.

In addition, the UK portion of the group is making an extraordinary charge of $4.6m to reflect the impact of the 1984 Budget which altered the system of capital allowances.

The group's combined balance sheet declined from $4bn to $3.4bn because of a shift in emphasis away from lending activities. Shareholders' funds also fell from $152.5m to $138.7m mainly due to the adverse movement of the Belgian franc and sterling against the U.S. dollar, in which the group's combined accounts are stated. However, total capital resources increased from $286.2m to $351.8m with the proceeds of two Ecu-denominated bond issues.

The shareholders, who are a consortium of seven European banks, have decided as in previous years to retain the maximum earnings within the group.

The EBG group is developing an international equity dealing business, and expects to start making markets in UK equities when the next Stock Exchange account opens

## Akzo expects to maintain profit in 1985

By Laura Raun in Amsterdam

AKZO, the Dutch chemicals and fibres group, expects at least to equal last year's record Fl 752m ($212m) profit this year.

The chemicals, fibres and coatings sectors should post about the same level of operating income in 1985. The consumer products sector, in which Akzo's European operations were merged with Royal Dutch/Shell's Tamana subsidiary last year, should report higher operating income.

Akzo outline a new "offensive strategy" aimed at renewal of its product range and further expansion in North America. Research and development funds will be raised by a third to Fl 800m over the coming three years.

The company has been seeking to expand in the U.S. through a joint venture or acquisition for more than a year. It is searching in the area of pharmaceuticals, coating, speciality chemicals or advanced plastics.

Akzo's liquid assets, with which it could finance U.S. expansion, remained at Fl 1.1bn at the end of 1984 compared with Fl 1.2bn. Unused credit facilities add another Fl 800m.

As part of its offensive strategy, Akzo noted that its expenditures for property, plant and equipment increased 25 per cent to Fl 784m last year while the amount of authorisation was more than Fl 1bn.

## Soc. Generale de Banque suffers 48% downturn

BY PAUL CHEESERIGHT IN BRUSSELS

PROVISIONS and write-offs have eaten into the consolidated net profits of Societe Generale de Banque, the biggest of the Belgian commercial banks.

Before tax and deductions, profits were BFr 17.4bn ($276m) in 1984 against BFr 17.1bn in 1983, but last year's net profits tumbled 48.4 per cent from the 1983 level to BFr 2.1bn.

The bank, which has already announced an unchanged dividend at BFr 225 net, also produced further details of a planned rights issue. It will be offering shareholders one new share for every five held at a price to be pitched later between BFr 2,600 and BFr 3,000. The capital base of the parent company will be strengthened by more than BFr 4bn.

Financing the losses of two associate banks, Eurambanks in New York and Banque Diamantaire Anversoise in Antwerp, prevented SGB from posting a net profit of BFr 4.3bn.

It has had to make provisions of BFr 13bn, or 19 per cent more than in 1983.

Eurambanks, in which SGB has a 20 per cent stake, cost BFr 1.6bn. The New York bank had 1984 first half losses of $135m caused by bad credit management and faulty real estate investment, but, following a refinancing, is back in profit.

Banque Diamantaire Anversoise, where the SGB stake is 30 per cent, has also had to be refinanced following losses caused by the slump on the diamond market. That cost SGB BFr 600m.

Also, SGB has had to guarantee BFr 540m for the European Asian Bank to cover credit risks. But the SGB share in EAB is 9 per cent and its results are not consolidated.

On the domestic market, SGB, soon to change its name to Generale de Banque, has found for the first time in three years that its private sector lending has increased more quickly than its lending to the public sector.

## Danish insurer to broaden services

By Hilary Barnes in Copenhagen

BALTICA, ONE of the two biggest Danish insurance companies, plans a reorganisation of ownership, enabling the group to broaden its range of financial services outside insurance.

Baltica's group earnings were halved from DKr 261m to DKr 143m ($12.3m) last year, owing to losses on reinsurance, mainly from asbestos industry indemnity contracts in the U.S. An unchanged 12 per cent dividend was proposed.

A new holding company, which will eventually hold the majority of the shares in the Baltica group companies, is to be established.

## Japan venture for Tradition

By Our Financial Staff

TRADITION, the large Lausanne-based money broking group, is to set up a joint venture with Nagoya Tanshi, the Tokyo broking firm. The deal is the latest of several links established between European and Japanese brokers as Japan liberalises its financial markets.

Nagoya Tanshi will establish a new subsidiary with Y50m ($198,000) in capital to which it will transfer the business of its foreign department. The Japanese firm will then sell a third of its shares in the new company to Tradition.

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# INTL. COMPANIES & FINANCE

## John Fairfax seeks balance of D. Syme

BY MICHAEL THOMPSON-NOEL IN SYDNEY

JOHN FAIRFAX, the upmarket name in Australian media, yesterday offered A$6 a share for the 16.4 per cent of David Syme, the Melbourne publisher, which it does not already own—a move that sent Syme's share price rocketing to A$9.

Fairfax's main target is the 14.1 per cent Syme stake held by another Melbourne media concern, Herald & Weekly Times (HWT), which will undoubtedly wait to see if a rival bid is launched.

David Syme's publications include The Age, of Melbourne, Australia's most prestigious daily.

On Wednesday, Syme announced a 144 per cent uplift in interim net profit to A$5.9m (US$4.1m). In turn, Fairfax, which recently bought The Spectator magazine in Britain, reported a 45 per cent increase in interim net profit, to A$24.8m. Fairfax publications include the Sydney Morning Herald and the Australian Financial Review, both morning dailies.

HWT has 1.69m Syme shares, valued by the offer at A$10.1m, and by the market yesterday at A$15.2m. Other shareholders—about 380—own only 280,000 shares.

Syme's advice to shareholders yesterday was not to sell.

● National Australia Bank, one of Australia's four main private trading banks, is to issue 10m shares in Japan, and seek a listing on the Tokyo Stock Exchange. The issue, to be underwritten by Nikko Securities, will raise about A$30m (US$21m).

The bank is heavily involved in Australia-Japan trade finance, and is planning a branch in Tokyo. It is already listed in London.

● Bridge Oil, one of the junior partners in Australia's onshore Cooper Basin liquids scheme, scored a net profit gain of 80 per cent for the six months to December, to A$6.1m, on turnover of A$31m. Tax took A$3.6m, against A$191,000 previously, while interest charges were A$9.9m (A$3.9m).

## Lee Ming Tee builds up 30% stake in Hooker

BY OUR SYDNEY CORRESPONDENT

MR LEE MING TEE, a Malaysian businessman based in Sydney, emerged yesterday with a strategic 30.2 per cent stake in Hooker Corporation, one of Australia's biggest property concerns, after a three-month campaign aimed at netting 38 per cent of Hooker.

Mr Lee, who progressively bid A$1.75, A$2.05, and A$2.15 per Hooker share—valuing Hooker at up to A$280m (US$196m)—said his 38 per cent target was thwarted by powerful institutional friends of Hooker.

"I just picked 38 per cent because it is my lucky number," he said, adding that he was not contemplating a new bid or a new price.

Mr Barry Glover, Hooker's chief executive, said Hooker and Mr Lee would now "look at the future together."

Hooker's interim net profit for six months to last December was A$17.5m. It has a successful U.S. offshoot, Hooker Barnes.

Hooker Corporation recently sold its stake in Sydney's A$300m Circular Quay Gateway development for A$50m to National Mutual Life Association, Australia's second largest life office.

As a result, Hooker has boosted its net profit projections for the next three years, starting at A$32.1m for 1984-85, rising to a projected A$47.2m in 1986-87.

Mr Lee has described the Gatewal deal as a "shuffling of payments."

It was disclosed yesterday that National Mutual now has a 10.3 per cent stake in Hooker.

● Wardley Australia, the merchant banking subsidiary of Hongkong Bank, achieved net profits of A$9.2m in 1984, up 13 per cent, reports AP-DJ from Sydney. The result came on a modest 4.4 per cent increase in assets to A$836.4m.

Mr Neil Maclachlan, managing director, said there were grounds for an optimistic view for the current year due to a buoyant Australian economy, but the future was less certain for the country's merchant banking industry.

Increased competition from trading banks has been reflected in reduced lending margins and higher funding costs, he added.

## Paliburg and Regal Hotels improve

By David Dodwell in Hong Kong

REGAL HOTELS (Holdings) and Paliburg Investments, the financially troubled Hong Kong groups acquired last year by Mr Bill Wyllie, the Australian entrepreneur, have reported significant improvements in final results for the 15 months to the end of 1984.

Regal, which is 34.8 per cent owned by Paliburg following a controversial corporate reorganisation late last year, disclosed losses after tax and extraordinary items, of HK$50.4m (U.S.$6.5m) for the period. This compares with losses for the year to September 1983 of HK$1.18bn.

Mr Wyllie said yesterday that a forecast profit for 1985 of HK$36m would be "achieved without difficulty."

Paliburg reported a net profit of HK$19.6m, compared with losses in 1983 of HK$647m. Neither company is offering a dividend.

The Regal statement said group debt had fallen to less than HK$480m. When Mr Wyllie took control of the group in March last year, bank debt amounted to HK$750m, with intercompany debt of HK$133m. The group said yesterday that it was able to service its present debt comfortably, and was "well positioned" to take advantage of new opportunities.

Mr Wyllie, who has acquired a reputation as a company doctor after restoring to health such companies as BSR, the British Electronics group once best known for its record changers, and Hutchison Whampoa, the Hong Kong-based trading group.

Since acquiring Regal and Paliburg, he has substantially reorganised the group, disposing of surplus properties,

A capital reconstruction has involved a HK$400m rights issue.

● Mr Anthony Pong, a former director of the defunct Deak Perera (Far East), was released yesterday on bail of HK$30,000 after being charged with operating an unlicensed deposit-taking company and using a scheme to avoid provisions of the territory's deposit-taking ordinance, reports Reuter. He did not enter a plea, and the hearing was set for April 15.

# Woolworth profits almost doubled

TRADING PROFITS of Woolworth Holdings, the retailing group, almost doubled over the 53 weeks to February 2 and at £56.8m were way ahead of the £48m expected by the City.

Turnover of the group, which takes in the B and Q superstores, Comet and the F. W. Woolworth chain of High Street stores, surged by £393m to £1.66bn. Profits for 1983/84 amounted to £29.4m, it covered 52 weeks.

The final dividend is being doubled to 12p, which raises the net total from 8p to 15.5p per 50p share. A one-for-one scrip issue is also proposed.

Property disposals were taken above the line this time and these added a further £49m (£27.1m) to profits after the deduction of other costs amounting to £5.5m (£15.8m).

This lifted profits at the pretax level from £56.5m to £105.8m.

Retail profits broke down as to B and Q £28.6m (£19.3m), Comet since acquisition £14.9m, Woolworth £5.1m loss (£7.6m profit), other £0.6m loss (£1.5m profit) and property income £48.5m (£33.3m).

Net interest payable was cut by £2.8m to £29.5m but tax took £20.6m more at £22.1m to leave the net balance at £83.7m, compared with £55m.

After extraordinary credits of £2.1m (£1.6m debits) and dividend payments (£12.5m against £5.5m) retained profits came through £25.4m ahead at £73.3m.

Earnings per share totalled 107p (80p) or 90p (69p) fully diluted. Before exceptional items they showed an improvement of 21p at 60p.

Mr John Beckett, group chairman, says the rapid growth of B and Q has continued with 153 superstores operating at the end of the year as against 112 at the beginning.

He points out that the profit increase is proportionate to the increase in the number of stores, although most of the new stores traded only in the latter part of the year.

Turning to Comet, which was acquired in May last year, Mr Beckett says the company has a clearly-established market position and operates from a low cost base.

Comet's results were only for that part of the year since its acquisition but most of the profit is usually made in this period. They are not comparable because Woolworth has taken out the surplus cash on which substantial interest was earned in the previous year, integrated Comet's DIY business with B and Q and disposed of some of Comet's diversifications outside electrical retailing.

However, on a comparable basis Comet's profits were similar to those for the same period of the previous year.

The F. W. Woolworth loss was struck after changing current market rents for the property occupied. The increase of £16m over rental charged in 1983-84 is reflected in property income.

Mr Beckett says the performance of F. W. Woolworth is not yet satisfactory but adds that the changes taking place are "immense."

He tells shareholders that new merchandising and marketing strategies are being developed, presentation has been and is being improved, staff training has been intensified, and more rigorous standards have been applied in recruitment and training of management. "Positive results in customer perceptions of merchandise, layout and of staff attitudes have resulted." he says.

Improvements are also being made in the support functions—information systems, communications and distribution—to meet the requirements of the retail business.

The properties division, which acts as landlord for F. W. Woolworth, benefited from the extra rents charged. It has channelled much of its energies into the profitable disposal of stores for which no commercial future could be seen.

The division will now begin to move into redevelopment of parts of the property portfolio (further disposals are not excluded) of stores where it sees neither a retailing operation appropriate to group activities nor a redevelopment potential.

Looking ahead Mr Beckett expects further expansion in B & Q and Comet and a start to the realisation of the potential in F. W. Woolworth to justify the resources it employs.

The properties division should also make a further contribution to group profits. Overal, Mr Beckett is confident that further group progress will be achieved in 1985.

He says increases in personal disposable income, both as a result of higher earnings and the specific effects of the Budget, provide good opportunities for retailers.

Mr Geoff Mulcahy, Woolworth's managing director, said he anticipated B & Q would add another 20 or 30 stores this year. Comet was "busy adding and relocating" and now had 172 stores. It hopes to add 10 more this year.

On further group acquisition he said: "Opportunity is a fine thing. We are not in the business of paying outrageous prices."

The group's freehold and long leasehold properties were professionally revalued and as at February 2 1985 showed an increase of £44.3m. Total fixed assets were not less than £685m (£663m) after disposals and additions during the year.

The revaluation surplus was credited to the revaluation reserve while some £70m of goodwill arising from the acquisition of Comet was written off against reserves.

See Lex

Mr John Beckett, chairman of Woolworth

# P & O set to realise considerable potential

THE POSITION of Peninsular and Oriental Steam Navigation is "much strengthened," and it hopes to make further progress this year toward realising the enlarged group's "considerable potential" both at home and overseas.

This is stated by the chairman Sir Jeffrey Sterling in his presentation of the 1984 results. These show that profits are right in line with those forecast in details of the merger with Sterling Guarantee Trust, also headed by Sir Jeffrey.

He says the company intends to continue improving the quality of earnings and concentrating resources on the areas with the best long term prospects.

For 1984, P & O lifted its pre-tax profits from £56.66m to £69.63m, reflecting a surge from £9.12m to £27.52m in associates' share, including OCL, and a reduction of £8.5m to £18m in net interest charges. The second interim of 9p (8.5p) has already been announced—there will be no final.

Profit was made up of: cruises £4.6m (£4.1m); bulk shipping-owned £6.2m loss (£4.3m loss) and associates profit £21.84m (£5.5m); ferries loss £5.1m (£0.6m); £6.2m (£7.9m); TCB £7.8m (£6.4m); Bovis £19.9m (£18.3m); Australia £10.3m (£5.4m); other overseas £2.5m (£2.4); property £4.1m (£6.5m); oil related £2.8m (£9.2m); other activities and head office charges credit £1.3m (debit £4.1m).

Reviewing the year, Sir Jeffrey says the loss-making cross Channel operations have been sold to European Ferries. A North Sea cruise ferry has been ordered to start operating in 1987 in conjunction with a similar ship to be built for the company's Dutch partners.

Competition in cruising is fierce, and the return on this division's capital employed "needs to be improved," he says. Booking trends and trading results of the Royal Princess have been "well in line with expectations."

There has been a "striking improvement" in the results of OCL over the depressed 1983 figures.

Progres has been made in the reorganisation and decentralisation of the group. A number of businesses have been sold, a large part of the low yielding investment property portfolio realised, and decentralisation made from Beaufort House. These transactions, with the write-downs of the gas fleet and other provisions, gave rise to extraordinary charges of £64.2m below the line.

# Lucas at £15m midway despite motor troubles

ADVERSE FACTORS in the UK had some short term impact on the profit recovery at Lucas Industries in the half-year ended January 31 1985. But the group surprised the City yesterday by reporting a pre-tax figure ahead from £3.5m to £15.3m.

Best guesses from analysts had been pulled down recently from £13m to up to £10m, because of the uncertainty of the effects of industrial troubles in the UK motor industry. The shares closed 16p higher on the day at 283p, after reaching 288p at one time.

Mr Godfrey Messervy, the chairman, says apart from the automotive electrical business, all other areas have moved forward strongly. And he looks for a continuing recovery in the second half of the year—last time that period produced £29m.

The chairman says sound improvements have been achieved in the remainder of the UK automotive businesses and most of the automotive businesses in Continental Europe and overseas. "I expect this trend to continue," he tells members.

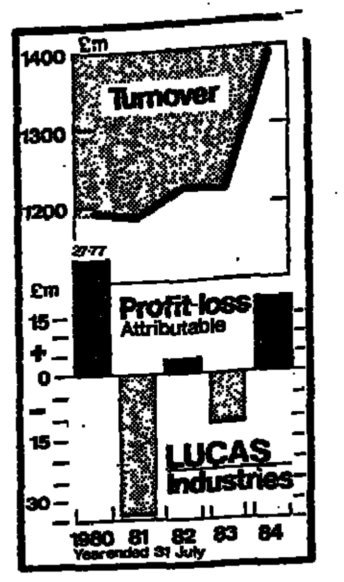
Steady improvement in the performance of the aerospace systems and components businesses is well founded and, with new business gains, their future is encouraging. Also the industrial operations will continue to improve performances and gain strength.

Turnover of the group advanced from £659.3m to £757m, while in trading profit therefrom moved ahead by £5.9m to £33.4m. After research and development expenditure £34.5m (£32.4m) and depreciation £18.2m (£16.5m). Interest payable cost £1.4m more at £14m, and reorganisation, redundancy and closure costs were almost halved to £5.5m.

In aerospace, the performance continued to improve with sales rising 16 per cent to £124m and profit before tax 47 per cent to £9.3m. There was a substantial increase in the UK profit—96 per cent to £9.4m—but this was partly offset by a poor performance in the related company in France, where lower volume and reorganisation costs led to a loss of £762,000 (profit £873,000).

Sales by the industrial equipment companies were ahead £9.6m to £69m, with profits increasing over 30 per cent to £3.4m. The business in North America continued to improve with profits at £2m.

After tax £6.7m (£5.4m) and minorities £1.1m (£0.2m credit), earnings are shown at 7.9p (loss 1.8p). Extraordinary charges are £3.9m (nil). The interim dividend is held at 2.6p net.




## ● comment

For the second time running Lucas has caught the City napping with a set of results well ahead of estimates, which were adjusted down after the annual meeting. But for all the progress in the aerospace and industrial divisions, the key to the short term remains Lucas Electrical where a flurry of strikes at customers could only distract a new management wrestling with the structural problems of the division. It was particularly unfortunate that delays in the launch of the Jaguar XJ40, and skimping on extras at BL, drove the motor electronics business into loss. There is growth possible here, but with the withdrawal from Ducellier, Lucas must start again to find manufacturing capability on the European Continent so as to reduce its dependence on BL. The second half is always better at Lucas, and pre-tax profits of over £50m are on the cards—provided rationalisation costs above the line do not go wild. The share price jumped 16p as sums were redone, but at 283p, a prospective price-earnings multiple of nine indicates there are cheaper companies in the sector.

# U.S. generates 68% of United News profit

United Newspapers, the owner of Punch and the Yorkshire Post which is on the verge of launching a £240m plus takeover bid for Fleet Holdings, publisher of the Daily and Sunday Express, yesterday reported a more than doubled taxable profit of £18.73m for 1984.

This compares with the previous year's £8.86m and excludes results from Link House Publications, the owner of Exchange & Mart, which was acquired for £82.3m just before the year-end.

Including the Link House results on a fully merged basis for 1984 the total group pre-tax profit amounted to £26.68m against £15.7m.

"Our longstanding business activities, plus acquisitions, together with our interest in Fleet Holdings offer exciting and rewarding prospects in the coming year," says Mr David Stevens, the chairman.

The dividend is being raised from 13p to 14.5p by a final 9p distribution. Earnings rose from 20.7p to 29p per share.

Shortly after the Link House purchase, United bought a 15.76 per cent stake in Fleet Holdings from Pergamon Press for around £30m which was subsequently increased to 20.09 per cent in February.

On Monday this week United declared its bid intentions for Fleet but was rebuffed on Tuesday with Fleet saying that "in the absence of any details from United" the proposals for a merger "appears to have no merit."

In February Fleet reported a 75 per cent increase in taxable profits, including investment disposals, from £6.4m to £11.2m for the six months to end-December 1984.

Mr Stevens, commenting on United's performance in 1984, says "the pace of growth in the U.S. fulfilled expectations. A year ago," he says, "I forecast that PRN and Gralla (newsware and publishing operations) should account for about half of the whole group's profit. In fact, 68 per cent of profits came from the U.S."

The booming economy and exchange rates helped, he says, but the results reflect "most creditably" on the quality of the product and service and marketing. Sterling's decline against the dollar added about £1m to profits.

He looks forward to a "good contribution from Miller Freeman," the San Francisco-based trade magazine publisher acquired in January this year.

In the UK, United's newspapers "faced generally unfavourable conditions." In 1981 regional newspapers contributed 72 per cent of group trading profits but this figure was down to 23.6 per cent last year, although newspaper profits rose from £2.5m to £4.4m over that period.

The year saw the closure of the loss-making Wigan Evening Post & Chronicle after more than 30 years of publishing, but three new free papers were launched bringing the total to 20. Other divisions — magazines, news shops, printing—performed "as expected in their own business areas." Total turnover, excluding Link House, was £162.74m against £113.12m.

United paid £7.96m (£3.13m) in tax. There was an extraordinary £8.47m credit (£2.86m debit) relating mainly to the part sale of United's interest in Reuters.

Mr Stevens warns that the imposition of VAT on advertising revenue may well affect private classified and financial advertising volumes. But, he says, "because of the spread of our activities the impact on overall group profits is not expected to be significant."

## ● comment

United Newspapers came in comfortably ahead of its own forecast of an £18m profit (excluding Link House) and pushed its shares 5p firmer to 310p. The rapid growth of its U.S. businesses, and the firmness of the dollar, have been major factors though the group has also benefited from the rationalisation of its UK publishing activities. Interest now centres on the company's ambitious plan to bid for Fleet Holdings, which would take it into the national newspaper business. United appears capable of taking on Fleet, provided it finances the deal sensibly and does not issue too many new shares. That is all some months away, however. There is scope for further savings in the UK operations in the year ahead while there is also underused potential in Link House's general magazine division. Dollar earnings should grow this year as Gralla and PR Newswire expand their activities. The imposition of VAT on advertising revenue is expected to have some impact on advertising volumes but pre-tax profits of about £34m should be achievable this year to put United, assuming a tax charge of 43 per cent, on a multiple of about 11½.

# Wayne Kerr coming to USM

Wayne Kerr, a designer and manufacturer of automatic test equipment and instrumentation for the electronics industry, is coming to the USM with a market capitalisation of £13.5m.

The company, which was formed five years ago in a management buy-out, is using the flotation to restructure its capital and to raise new funds.

Merchant bank Kleinwort Benson is offering for sale 4.7m shares, or 45 per cent of the equity, at 130p each. Of these, 2.4m are new shares sold to raise £2.6m for the company—£950,000 to redeem preference shares and the rest for its investment needs.

The remaining 2.3m shares are being sold by shareholders—including the directors (who will retain 29.6 per cent of the equity), and institutions which helped to finance the management buy-out.

Wayne Kerr was founded in 1946 in Bognor Regis and was later taken over by the Wilmot Breedon engineering group. In 1980 the management, led by Mr Alan Dennis, aged 59, the chairman and chief executive, bought the company after the U.S. group Rockwell took over Wilmot Breedon.

Mr Dennis took the company away from a dependence on contract work, largely for British Telecom and the Ministry of Defence, to supplying a wide range of customers, including computer manufacturers and industrial users of electronics. Marketing companies were set up in West Germany and the U.S.

The costs of these moves initially held back profits growth. After £292,000 pre-tax from sales of £4.8m in 1980, profits fell back to £273,000 the following year, and to just £24,000 in 1982. They recovered sharply to £102,000 in 1983 and £550,000 last year when sales were just under £11m.

At the offer for sale price, the shares are valued at 20.8 times 1984's earnings on a 50 per cent tax charge. The indicated annual yield is 1.6 per cent.

There is no profit forecast but the directors say that trading for the first two months is substantially ahead of last year.

## ● comment

Wayne Kerr oers the chance to invest in electronics at a sensible price. The company has a solid range of products with a broad spread of customers across several industries. It has an unusually experienced management team for a USM electronics company. Admittedly the profits record is not perfect—it would have probably been better to wait another year to see more of the benefits of the work Mr Dennis and his colleagues put in between 1981 and 1983, before coming to market. But it is clear that the post buy-out company is a dierent animal to what went before, with a much more positive view of the wide market potential of its products. Certainly, the shares seem worth 130p each, assuming growth to £1.5m pre-tax this year and an unchanged tax charge, the multiple falls to about 13.

# Central up 47% but warns on ITV 'uncertainties'

Central Independent Television improved taxable profits by 47 per cent in 1984, but Sir Gordon Hobday, the chairman, who also announced his forthcoming retirement, says that the uncertainties affecting the whole industry must be reflected in the results for the current year.

Profits broke through the £10m barrier, standing at £10.05m against £6.83m. The result was achieved on turnover which expanded at a much slower rate — it rose to £152.2m, an increase of £22.97m or nearly 18 per cent.

Sir Gordon described 1984 as a year of progress and consolidation. Net revenue on the sale of advertising on ITV and Channel 4 at £129.6m shows an increase of 16 per cent over 1983 and the share of total ITV net advertising revenue rose from 13.6 to 14.2 per cent.

The directors follow the 2.5p maiden interim payment with a 1.5p increase in the final to 8p net, lifting the total by 62 per cent to 10.5p (6.5p).

## ● comment

Disparate year-ends make comparisons between the independent television companies difficult, but Central seems to have had an edge. While national advertising sales stopped going up in October, making the back end of the year look somewhat subdued, Central's advertising revenues went up by 16 per cent which, while up from a relatively low base, implies that it managed to get a larger slice of the cake. This year will be a different story, however, as the outlook for advertising revenues is very uncertain and costs will continue to rise, including the charges for Channel Four. Given this background, Central is perhaps better placed than most because of its non-leviable income through TV Times, merchandising and the sale of programmes overseas, all of which did well in 1984. At 195p, up 8p, the p/e is 8 while the yield is 7.7 per cent.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Amari | 1.7 | — | — | 2.7 | — |
| Attwoods ...int | 1† | July 31 | 1 | — | 3.5 |
| Bridon | 2.8 | — | 2.3 | 4 | 3.5 |
| Brit. Car Auction ...int | 1.25† | July 31 | 1.1 | — | 2.9 |
| Brown Boveri Kent | 1.5† | — | 1.5 | 2.5 | 2.5 |
| Central ITV | 8‡ | May 31 | 6.5 | 10.5 | 6.5 |
| Charterhouse | 0.75 | — | 0.5 | 1 | 0.75 |
| Desoutter | 4.3 | May 12 | 3.44* | 6.46 | 5.6* |
| James Dickie | 0.5 | — | 1.5 | 0.5 | 3 |
| Estates & General | 1.55 | May 29 | 1.4 | 2.3 | 2.1 |
| Friedland Doggart | 4.45 | — | 4 | 7.25 | 6.27 |
| Grampian Holdings | 3.5 | May 14 | 3 | 5 | 4.5 |
| James Halstead ...int | 1.5 | — | 1.25 | — | 3.5 |
| John I. Jacobs | 2.1 | — | 1.9 | 3.3 | 2.9 |
| Kode Intl. | 6.5 | — | 6 | 10 | 8.8 |
| Ladbroke | 5.52† | June 7 | 4.95 | 10 | 9.015 |
| Legal & General | 14 | — | 12.5 | 21.5 | 18.5 |
| Linread | 0.5 | May 20 | Nil | 1.5 | 0.1‖ |
| Lucas Indust. ...int | 2.6 | June 11 | 2.6 | — | 8.6 |
| LWT (Hldgs.) ...int | 5.17 | May 8 | 5.17 | — | 14.4 |
| Magnolia | 2 | — | 1.9 | 2.6 | 2.5 |
| Manders (Hldgs.) | 5.5 | — | 5 | 7.5 | 7 |
| Bernard Matthews | 4 | May 17 | 4 | 6.5 | 6.5 |
| Mills & Allen ...int | 4 | May 11 | 4 | — | 14 |
| Municipal Props | 11 | — | 9.98 | 11 | 9.98 |
| C. H. Pearce ...int | 1.75 | June 21 | 1.5 | — | 6.25 |
| Silkolene | 6 | May 20 | 5.5 | 9 | 8 |
| Squirrel Horn | Nil | — | 0.25 | Nil | 0.75 |
| Staffordshire Potts...int | 1 | May 23 | Nil | — | 2 |
| Superdrug Stores | 2.5 | — | 2.1 | 4.2 | 3.5 |
| Tricentrol | 6 | — | 7.2 | 10 | 10 |
| Utd. Newspapers | 9† | June 17 | 8 | 14.5 | 13 |
| Vectis Stone | 1.3 | — | — | 2.2 | 2.5¶ |
| Woolworth Holdings | 12† | — | 6 | 15.5 | 8 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ For 15 months. ‖ For 17 months.

# UK COMPANY NEWS

## Kode Intl. fails to match forecasts

Kode International, electrical equipment manufacturing group, reports pre-tax profits of £1.11m in the year to December 31 1984, against £1.12m, failing to meet forecasts of improved results made by Mr E. N. Randall, chairman, last year.

Turnover increased nearly 66 per cent to £20.78m (£12.53m) while administrative expenses rose to £5.42m (£3.05m).

Earnings per share were stated at 12.5p (15.7p) and a final dividend of 6.5p (6p) is being recommended, making 10p (8.8p).

As Mr Randall warned at midway, hopes for an improvement at Kam Circuits, producer of printed circuit boards, were not realised. Quality problems and delays with British Telecom's System X caused serious losses in the second half. The current year has started with an increased order intake but Mr Randall says this will not dramatically affect the first half.

The acquisition of Comart in July 1984 considerably broadened the group's capabilities in the business computer field. Comart performed as expected, returning a pre-tax profit of £236,000 in the six months to December 1984 a substantial increase over the corresponding period, says Mr Randall.

### ● comment

Like a recurring nightmare, quality control at Kode's printed circuit board subsidiary, Kam, collapsed again last year resulting in a £400,000 swing into losses of £140,000. Thus group profits are nowhere nears as good as anticipated last summer when the dividend forecast was made and so the cost of that payout, coupled with the goodwill write-off and deferred tax charge, has left the net asset value at just 56p, compared with 133p a year ago. New management, improved quality control and a wider customer base should bring Kam close to breakeven in the current half year, according to the directors, but the cautious will remember that Kam has proved accident prone in the past. Elsewhere the other subsidiaries are all performing well enough, especially Moore Reed with profits up from £600,000 to £774,000. So with some recovery from Kam and a full year from Comart, profits might just reach £2m this year, dropping the prospective p/e to 8½ after the 8p rise to 193p yesterday. And with a yield of 7.6 per cent a case can be made for holding the shares as a recovery stock, especially as the possibility of a bid gives a two-way bet.

## Tricentrol shows 25% improvement

BY DOMINIC LAWSON

*Tricentrol* yesterday announced net profits for 1984 of £30.2m, an increase of 25 per cent over 1983's return of £24.2m.

The results were much in line with the City's expectations, and the attention of the market continued to be held not by Tricentrol's trading performance, but by the possibility that a bid for the aggressive oil exploration company is on the cards.

Trincentrol revealed that a stake of 4.7 per cent of its equity had been built up over the past two weeks. The shares are held in the name of Ackroyd and Smithers, a leading firm of stock jobbers.

After intense inquiries by Tricentrol, the jobbers told the oil company that they were holding the shares on their own account. But Tricentrol fears that the shares are being "warehoused" for an aggressor.

Speculation has centred on Enterprise as a likely bidder, since the former North Sea oil arm of British Gas covets the development prospects that Tricentrol has in abundance.

However, other names, such as Trafalgar House and Imperial Chemical Industries, are being mooted by oil analysts. Tricentrol hinted yesterday in meetings with brokers that it might seek a "friendly" merger if an aggressor should merge. an aggressor should emerge.

Mr James Longcroft, the chairman of Tricentrol, said the group had succeded in its three main targets for 1984. It had sold a number of U.S. properties to reduce debt, had completed an acquisition of a stake in Wytch Fram, the largest onshore oil field ni Europe, and had significantly added to oil and gas reserves through exploration.

The most sizeable discovery for Tricentrol last year was the Talisman find offshore Western Australia. The group's 24 per cent stake is thought to be equivalent to about 10m barrels of oil.

As a result of this, and other discoveries in the North Sea and the Gulf of Mexico, Tricentrol said that it had added 40 per cent last year to proven and probable reserves. However, the group has had nothing but disappointment in its drilling campaign offshore China, in common with the rest of the international oil industry.

Although Tricentrol has sunk £9m on four dry holes it is keen to take part in the forthcoming second Chinese offshore licensing round.

The group argued yesterday that the proceeds from its recent £45m rights issue will allow it to continue an extensive exploration and apraisal programme over this and the following year, while keeping its borrowings within "reasonable limits."

Yesterday's figures show, as expected, a below-the-line loss of £30m, reflecting the sale of many of its U.S. assets at a price below their book value. Tricentrol said that it would be disposing of a few more of its U.S. leases, in the Gulf of Mexico, but that this was not a major exercise but a matter of "fine tuning."

Tricentrol's profits before tax totalled £39.3m (£43.7m) but the petroleum revenue to bill was reduced from £13m to £3.9m.

Earnings per share was 32.6p (28.2p) and a final dividend of 8p net makes same-again total of 10p.

### ● comment

Even if Tricentrol's results had not been largely prefigured in its recent rights issue document, they would still not have been at the heart of the City's preoccupation with the company. Currently the market is in one of its "who will bid for Tricentrol" fits. On this occasion the hysteria seems appropriate. Someone appears to be sitting on a near 5 per cent stake in the stock, and there is no shortage of companies who would like some of Tricentrol's development prospects and are better placed than the current owner to finance the projects. Aside from talking to potential white knights, Tricentrol's best bet at the moment is to try and turn future cash flow into present cash flow by swapping assets with a company with less urgent preoccupations. Even after the recent rights issue (the latest of many, but not one feels the last), Tricentrol's financial position shows net debt of £120m against shareholders' funds of £165m. This excludes as debt the loans taken out to finance its share of the Wytch Farm development. As a gutsy exploration company Tricentrol should not in theory be a high yielder. But at 223p, down 7p, with a yield of close to 7 per cent, it is.

## Overseas growth continues at Bridon

THE OVERSEAS growth noticeable at midway continued into the second half of 1984 at Bridon, and more than offset a downturn in domestic profits. The outcome for the year showed a taxable return up from £10.1m to £14.5m.

The UK figures were hit by low demand for wire rope from the NCB, but the directors say that following the end of the miners' strike prospects for the British Ropes offshoot have significantly improved. The benefit will not be seen until the second half of the current year, however.

Turnover broke down as to Bridon and its subsidiaries £187.7m (£158.2m) and the share of related companies sales £124.9m (£108.1m). The group has wire, fabrics, plastics and engineering interests. Most of the trading profit rise from £15.4m to £20.6m came from related companies—up from £6.2m to £10m—where most of the group's overseas interests are concentrated.

The final dividend is up by 0.5p per share to 2.8p for a higher total of 4p (3.5p).

The group also announced that it has agreed with Noranda Manufacturing of Canada to rationalise their joint interests in North America.

### ● comment

With the miners back at work and a large bridge contract under its belt, Bridon's UK business could produce profits of close to £11m this year. But the real story at Bridon is not the domestic recovery but what can be achieved from its push into the U.S. With the purchase of the wire rope business from U.S. Steel Corporation last year, Bridon is in a position to reap the rewards of the expanding U.S. re-roping programme for suspension bridges.. Now htere are just two players in the game—Bridon and Bethlehem Steel. The other plank to the group's U.S. strategy is to push down into the wire rope distribution real money is made—hence the market where it believes the shuffling of ownership of Bridon American announced yesterday. More acquisitions will follow. Overall profits could reach £19m pre-tax this year dropping the undemanding prospective p/e to under 7 at 140p.

## BCA improves 20% to £3.63m and more growth ahead

FOR THE six months to January 31, 1985 the British Car Auction Group increased its pre-tax profits from £3.04m to £3.63m, an improvement of 20 per cent.

The results are described by chairman Mr David Wickins as "adequate" but he tells shareholders that historically they do not reflect the full year earnings which he anticipates will be "entirely satisfactory."

Meanwhile, the interim dividend is being stepped up from 1.1p to 1.25p net per 10p share on the enlarged share capital.

Turnover (gross auction proceeds) for the opening six months expanded from £459.35m to £759.3m. Commissions earned advanced to £21.69m, compared with a previous £16.01m, and other income amounted to £1.23m (£2.39m).

Tax accounted for £1.34m (£1.5m) and attributable earnings came through at £2.29m, against £1.52m. Earnings per share emerged at 2.96p (3.86p) on the bigger capital.

For the 1983-84 year BCA returned pre-tax profits of £9.33m and paid a final dividend of 1.8p.

Contracts have been exchanged for the sale of the auction premises at Frimley and the former head offices at Farnham. Total consideration amounts to £9.75m.

At Blackbushe, the group intends to build the most modern and efficient motor auction facility in the world.

Attwoods, an associate of BCA and with interests in sand and gravel and waste disposal, increased its pre-tax profits over the same period from £591,000 to £1.8m. Turnover reached £12.32m, against £4.89m.

The interim dividend is being maintained at 1p net per 25p share on the capital enlarged by last October's rights issue.

### ● comment

North America's hard winter plus a flood of used cars onto the auction market during 1984 (arising fro mthe record new car purchases in the U.S.) have clearly hurt margins at BCA. The commissions earned are down from 3.5 per cent of auction proceeds to under 3 per cent. So the 65 per cent rise in such sales hasn't really shown through in earnings. Some are concerned that given the disappointing interims the company is continuing to spend freely, especially the $6m on Sandgate in the U.S. However, in the UK the sale of the Frimley auction premises and the old head office at Farnham for a total of £9.75m should keep the group liquid enough. The first tranche of this money, £4.75m, will be taken on the accounts in April. Attwoods, the sand and gravel company, is now almost 40 per cent owned as the world's largest second hand car salesman continues to add on his allowed 2 per cent per annum slices. Although an unrelated activity, this time round the contribution from the pits must have been a welcome one. For the full year the market is looking for a much better second half to produce, perhaps, £11m pre-tax. Earnings per share of almost 9p and a prospective multiple of just over 9.5 on 86p. The yield on the latest 12 months is a modest 5 per cent giving little support to the shares if the group loses its image as a growth stock.

## L & G falls £7.5m but lifts dividend by 3p

Legal and General Group yesterday announced a 13 per cent drop in pre-tax profits for 1984, from £55.6m to £48.1m, though a much reduced tax charge resulted in shareholders' profits rising slightly from £42.7m to £44.7m, with an earnings per share jump from 26.2p to 29.27p.

The dividend for the year is being raised by 3p to 21.5p net, an increase of 16.2 per cent.

Like other UK life companies, L and G reports strong growth in life profits being more than offset by a massive deterioration in their general insurance operations.

Long-term profits and profits from Fund management rose by 12.5 per cent, from £52.4m to £59m, with the profits from the UK operations rising from £36.5m to £41.1m. The recently-acquired U.S. operation, Banner Life Insurance, turned in an 18 per cent profit improvement from £11m to £13m.

Legal and General's linked-life operations are now making a useful contribution to life profits—£21m in 1984 against £700,000 in 1983. However, contributions from UK pensions, L and G is the largest pensions company in the UK, fell last year from £12.9m to £12.4m.

On its general insurance and reinsurance operations, Legal and General incurred a £12.2m pre-tax loss against a small £200,000 profit in 1983, following underwriting losses rising over the year by two-thirds from £25m to £41.6m.

Premium income growth on general insurance business was satisfactory, rising by 16.8 per cent in the UK to £132.4m and by 15.2 per cent overall to £220.2m. The strong stock markets resulted in the group having a solvency margin of 110 per cent at the end of 1984. But investment income growth of 14 per cent, from £25.7m to £29.4m, failed to cover the rising underwriting losses.

Like other insurance companies, L and G's UK general insurance operations deteriorated during 1984, with underwriting losses more than doubling from £8.9m to £18.2m. The severe winter weather at the beginning of the year, costing some £6m in adverse weather claims, was instrumental in sending losses on the UK property account soaring from £4.1m to £11.5m. But Mr Joe Palmer, L and G's chief executive, said that subsidence was a growing problem in house buildings insurance.

Losses on the UK motor account tripled from £1.2m to £3.8m, but Mr Palmer pointed out that the group's commercial property account was profitable.

Overseas, direct insurance results were satisfactory, but the reinsurance operations through the subsidiary Victory Insurance were poor—in line with other reinsurers. Underwriting losses rose by more than half from £12.7m to £19.1m on premium income up by 13.6 per cent from £66.1m to £75.1m.

Mr Palmer claimed that the reserves of Victory had been further strengthened and were now considered adequate. He looked forward to an end of the rising losses this year and a definite improvement in 1986 as the benefit of recent rate increases came through.

Legal and General saw improvement in the UK pension market in 1984 after a few years of static growth.

### ● comment

The pre-tax profits figures from Legal and General disappointed the market, which was expecting less of a decline, though the net profit improvement, thanks to a low tax charge, was welcome as was the 16 per cent dividend rise. Profits from the group's massive pensions business fell during the year—a move not foreseen by the market, as clients switched their funds from low margin managed funds to even lower margined segregated fund management. This trend can be expected to continue. On the other hand the group's life business showed good profit growth, with unit-linked now making a useful contribution and profits from this source can be expected to improve further this year. The general insurance operations should also show some growth following the premium rate increases on house buildings insurance—where L and G is a market leader — and in reinsurance rates. But this tale has been told before by many insurance groups and the market is now somewhat cautious in its reactions to tales of recovery. The share price fell 10p to 693p on the news, yielding 4.5 per cent.

## Manders down slightly

Manders (Holdings), property investor and paint and ink manufacturer, reports a slight fall in pre-tax profits to £4.26m in the year to December 31 1984, against £4.39m.

Turnover was up 6.4 per cent at £42.79m (£40.23m) and earnings per share were quoted at 19.1p (20p). A final dividend of 5.5p is being recommended, making 7.5p (7p) for the year.

Mr Geoffrey Norman, chairman, says the downturn in trading profit stemmed mainly from a poor performance by UK printing ink activities in the first half and from poor results in South Africa.

Second-half improvements enabled some of the half-way shortfall to be made good.

A sum of £1.45m (nil) has been charged against retained profits as a provision against deferred tax.

# UK COMPANY NEWS

## Ladbroke makes £50m and sees 'very good' growth

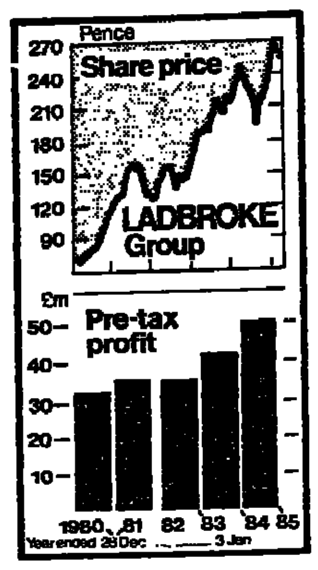
**Ladbroke Group** lifted pre-tax profits by 20 per cent from £41.8m to a record £50.2m in 1984 and the company expects to achieve "very good" growth this year. Turnover exceeded £1bn for the first time, with a 32 per cent rise to £1.12bn, against £846.9m.

Mr Cyril Stein, the chairman, says the record results reflect the group's determination to concentrate its efforts and resources on hotels, property and racing. All three businesses performed exceptionally well.

Profits from hotels jumped from £7.4m to £12.6m, while the contribution from property (after interest) more than doubled to £17.2m (£8.4m). Racing profits were up £1.1m to £21.7m, a performance which Mr Stein says was particularly good, after the downturn in June. The entertainments side reported a drop from £11.8m to £9.1m.

Group operating profits were ahead £9.6m to £57.6m, after deducting £0.68m (£0.6m) in respect of allocations to the employee share scheme. Net interest took £7.4m (£6.2m) and after increased tax of £17.4m (£13.7m) and minorities, the attributable balance emerged 11 per cent higher at £29.3m, against £26.4m.

Stated earnings per 10p share were 17.97p (17.78p), after adjusting for the effect of over 30m new shares allotted in 1984, largely as a result of the June rights issue. The final dividend is 5.523p net, raising the total, on increased capital, from 9.015p to 10p. A final of not less than 5.44p was forecast last August, when reporting lower interim pre-tax profits of £14.2m (£16.1m).




Mr Stein reports that the group has achieved a major advance in the expansion programme of its core businesses. The acquisition of Comfort Hotels in January has made Ladbroke the second largest hotel group in the UK. As a result, Ladbroke is in a position to take advantage of increasing demand, which, he says, is not considered to be cyclical in its sector of the market.

Ladbroke's UK racing division has increased its market share to over 20 per cent and, with the purchase of the "Le Tierce" betting chain in Belgium in December 1984 and the Detroit Race Course in the U.S. at the beginning of January, an international betting business has been created.

The racing operations are expected to have a good year, with substantial profits being earned in the UK and Belgium. Profits in 1985 from the Detroit Race Course should cover the cost of funding the group's first racing operation in the U.S., the chairman says.

The group's U.S. properties achieved outstanding growth in 1984 and this is confidently expected to continue. A number of Ladbroke's U.S. properties, including the recently completed development of Manhattan Tower, New York City, will contribute to profits for the first time in 1985.

Mr Stein says the group is establishing high dollar earnings and valuable dollar assets which complement profits and assets in the UK and Europe. Ladbroke's UK property divisions continued to make progress in 1984 and increased profits are expected this year.

The chairman anticipates that the group's entertainment osperations will also do well; Laskys and machine hire are expected to have a better year and Ladbroke's other consumer-related businesses are expanding.

Holidays should again improve profits. The magazine publishing companies are expected to make an increased contribution and commercial television should continue to do well.

Hotel and investment property revaluations have resulted in a surplus of £53.6m. Net assets per share increased from 146.3p to 186.9p.

See Lex

## Profits ahead at £8.7m for Superdrug Stores

**Superdrug Stores** has announced an increase in pre-tax profits from £6.84m to £8.74m for the 53 weeks to March 2 1985, against 52 weeks previously.

The directors of this high street toiletries, health foods and household goods supermarket chain, are recommending a final 2.5p (2.1p) dividend, making a 4.2p (3.5p) total for the year.

Sales rose during the period by £30.13m to £131.59m. After adjustment to present the figures on a comparable 52 week basis, turnover increased by 27.25 per cent the directors say. This is accounted for by a 12.5 per cent rise from new stores, 10.25 per cent growth from existing stores, and 4.5 per cent due to inflation.

Turnover in the final quarter amounted to £39.77m against £29.19m, yielding taxable profits of £2.5m (£1.87m).

An operating profit of £8.32m (£6.29m) was achieved for the year under review, and the company received interest payments of £417,000 (£545,000).

Tax took a lower £1.65m (£2.83m) due to the availability of industrial buildings allowances on the new warehouse development at Wakefield. This led to a £2.42m tax reduction.

Actual earnings per 10p share are stated as 20.24p against 11.46p—on a notional full tax charge they are 13.32p (10.08p).

**● comment**

Superdrug continues to portray the rapid physical and earnings growth that the market expects from a specialist retailer. Existing stores produced volume growth of over 10 per cent and presumably it is not just the myriad of independents who are losing market share to Superdrug. After 37 new stores last year, another 40 are planned for 1985-86 but, by far, the largest investment will be a second warehouse opening in the autumn at a cost of £6¼m. To date costs have been capitalised but that will change as soon as the warehouse opens its doors. So that could limit the growth in profits this year to around £10m pre-tax and with the tax charge rising—last year was depressed by capital allowances on the warehouse—it would not be a surprise to see actual earnings per share falling below the latest figure of 20.24p. Naturally, Superdrug is emphasising fully taxed earnings which will, of course, rise this year. But on that basis the historic p/e leaps 10 points to 30 at 403p which could be difficult to sustain.

## Bernard Matthews arrests fall

A RECOVERY has enable the **Bernard Matthews** group to move or less maintain its second half profit at £4.06m. After the setback at the interim stage, this leaves the pre-tax figure for the full 1984 year some £1.93m lower at £5.08m.

Sales within the meat products division again rose by over 30 per cent. The recent introduction of the new range of pork and lamb roasts has been well received and distribution of these products is being extended.

The whole bird division returned to profit in the second half. Sales of the premium selling Golden Norfolk Turkey account for 50 per cent of the market for self basting turkeys, the directors state. It is too early to forecast for the current year; but there has been a good start with turnover and profits currently running at record levels.

The dividend for 1984 is being held at 6.5p net, with an unchanged final of 4p. Turnover rose from £75.89m to £97.58m.

Interest charges were £1.77m (£1.22m). After tax £1.02m (£612,000) the net profit for the year came to £4.06m (£6.4m) for earnings of 25.39p (39.99p) per share. The dividend absorbs £1.04m. The factory being constructed in New Zealand is near completion, and the directors expect to receive lamb roasts from there during the second half of 1985.

**● comment**

The carry over of high turkey stocks from last Christmas and the sharp increase in feed prices are now down to levels where Bernard Matthews has resumed an upward growth path. In recent years the company has realised how exposed it is to a single product—frozen turkeys—so it has been spending heavily to broaden the operation, mainly by finding new turkey and other meat products using pork, lamb and beef. In 1984 alone it spent around £250,000 on new product development and the figure this year could be higher. So far the diversification away from farming is small, with new products accounting for just a tenth of group sales. While the core frozen bird business can expect to show some growth on the back of increasing national turkey consumption, much more depends on the market acceptance of these new products. As the company has seen before, public tastes to new food products are fickle, so not all innovations are going to find favour. Nevertheless, there is no shortage of ideas and those that are going to work should start washing their faces after a year or so. In the meantime, the continuing drop in feed costs and the hardening of frozen meat prices should enable the group to bring home around £8m this year for a prospective multiple of 9 at 312p assuming tax of 30 per cent.

## Pru policyholders reap asset valuation benefits

THE **Prudential Assurance Company**, the largest operating company within the Prudential Corporation and Britain's largest life group, is alocating over £1bn to its policyholders as bonus additions to benefits, following the 1984 valuation of assets and liabilities.

In 1983 a sum of £750m was allocated, so policyholders are receiving a one-third increase in profits — reflecting the buoyant investment conditions last year.

The Pru has decided to make the increase in the form of a special reversionary bonus payment in addition to the normal annual reversionary declaration, to put into a more permanent form part of the terminal bonuses given when a contract becomes a claim.

The basic reversionary bonus rates for 1984 remain unchanged from those of the previous year. On Ordinary branch assurances the rate remains at £4.80 per cent of the sum assured and attaching bonuses, while for Industrial branch contracts the rate is £3.60 per cent. On personal pension contracts the rate is £6.20 per cent compound.

The special reversionary bonus payment will be based on the basic benefit and the scale varies with the year in which the contract was effected. Terminal bonus scales have been adjusted to allow for these special payments.

The net result of the changes is that maturity payouts will rise by between 7 and 13 per cent. However, the benefits of the special bonus will be reaped by all policyholders, not just those whose contracts are maturing.

### Gibbs and Dandy

**Gibbs and Dandy**, builders' merchants, increased pre-tax profits from £240,444 to £408,098 in the year to December 31 1984 on turnover of £17.11m against £14.88m. Earnings per 10p ordinary share were stated at 3p (3p) and a dividend of 1.575p (1.4p) is being recommended.

## Grampian advances 18.6% despite transport setback

DESPITE TRANSPORT SETback **Grampian Holdings**, transport and construction, retailing and pharmaceutical group, increased pre-tax profits 18.6 per cent to £1.72m, against £1.45m, in the year to December 31 1984.

Mr D. C. Greig, chairman, says the results demonstrate the improved health of the company. This has been achieved despite external factors which significantly affected the transport division, where profits fell to £680,000 (£1.1m).

Turnover as a whole rose 2.5 per cent to £46.73m (£45.58m). Earnings per ordinary share were stated at 12.58p (11.41p) and a final dividend of 3.5p (3p) is being recommended, making a total of 5p (4.5p) for the year.

The sporting goods division returned a profit of £263,000 (loss £243,000).

Mr Greig says that this, combined with further growth in the retail and pharmaceutical divisions has justified the confidence shown by shareholders in supporting the programme of disposals and restructuring which took place in 1982 and 1983.

It is in the light of these results and an encouraging trading performance in the first quarter of the current year that the dividend increase of 11 per cent has been recommended.

Pharmaceuticals reported profits of £339,000 (£289,000) and the retail division advanced to £844,000). There were no extraordinary items this time; debits of £290,000 in 1983 related to costs of rationalisation and losses on diposals of subsidiaries.

Mr Greig announces that he intends to retire at the AGM to be succeeded by Mr William Hughes, who will also continue to act as chief executive.

## Staffs Potteries up 5%

FOR THE half year ended December 31 1984 **Staordshire Potteries (Holdings)** reports sales ahead 9 per cent, from £10.57m to £11.53m, and pre-tax profits up 5 per cent to £651,000, against £620,000. After an absence of four years, interim dividends are resumed with a 1p payment.

Sales at home and overseas, with the exception of West Germany, continue to improve. There is still excess capacity in the dinnerware market (the company makes Kiln Craft Tableware) which accounts for 30 per cent of group turnover.

The directors intend to improve margins and reduce working capital and borrowings, particularly in view of high interest rates. Although the weather affected sales in January, orders on hand "remain healthy." Prevailing rates of exchange are a "welcome stimulus."

Tax takes £215,000 (£35,000) and there is an unrequired provision of £130,000 relative to the proposed closure of the Canadian company—it has been sold. Basic earnings are 6.32p (8.97p) and fully diluted 4.51p (6.43p).

The rate of interim dividend takes into account the level of profitability and the need to improve gearing. A single 2p was paid for the 1983-84 year from pre-tax profits of £993,000.

### Desoutter Bros.

**Desoutter Brothers (Holdings)**, precision mechanical engineers, increased pre-tax profits by 66 per cent to £4.54m in 1984, against £2.73m.

Turnover increased 14.7 per cent to £31.75m (£27.68m) and earnings per 25p share were 24.08p (13.89p). A final dividend of 4.3p per share makes a total of 6.46p (adjusted 5.6p) for the year.

Demand for the company's products continued to grow in the first quarter of the current year, and a modest increase in profits is expected during 1985.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

**TODAY**

**Interims:** Arbuthnot Dollar Income Trust, Ramus, Town Centre Securities, Westminster and Country Properties.

**Finals:** Arncliffe, Automated Security, Breedon and Cloud Hill Lime Works, Early's of Witney, Home Counties Newspapers, Ibstock Johnsen, Laird Group, Oilfield Inspection Services, Relyon, Scottish Heritable Trust, Waverley Cameron, George Wills.

**FUTURE DATES**

**Interims:**

| | |
|---|---|
| Adam Leisure | May 24 |
| Adam Leisure | May 24 |
| Gleeson (M. J.) | Apr 24 |
| Tyzack Turner | Apr 2 |

**Finals:**

| | |
|---|---|
| Allied Plant | Apr 12 |
| Anglo American Investment Trust | Apr 15 |
| Burmah Oil | Apr 11 |
| Johnston Group | Apr 2 |
| Parambe | Apr 2 |
| Tarmac | Apr 30 |

# UK COMPANY NEWS

## Energy Services rejects £26m bid

By Alexander Nicoll

A £26.3m TAKEOVER bid was launched yesterday for Energy Services & Electronics, an electronic rental and maintenance group by Peek Holdings, a grain storage company currently capitalised at £2.3m.

The bid, if successful, would effectively be a reverse takeover, with Energy Services shareholders having the option to acquire about three-quarters of Peek's expanded capital.

It was swiftly rejected, however, by Energy Services, which termed it "unsolicited and unwelcome. The board intends to oppose the offer vigorously," it said.

Peek is effectively a shell company with grain storage interests in Liverpool. If the bid is successful, however, Mr Julian Askin and Mr Hugo Biermann plan to inject £6m into it and will become joint chief executives. Mr John Leworthy would continue as chairman.

Mr Askin was managing director from 1973 to 1975 of Energy Services' main rental subsidiary and finance director of the whole company. Since then he and Mr Biermann, who is South African, have controlled a Johannesburg-based financial services and electronics concern.

Peek plans to develop the maintenance rental business and believes its profitability can be considerably improved. Energy Services other activities, which include the sale of electronic systems and instruments and manufacture of sound mixing equipment and mobile radio telephones, are unprofitable, Peek said. "It is unlikely that these activities will form part of Energy Services' ongoing mainstream business," it added.

Terms of the bid are seven Peek shares, which closed down 2p yesterday at 26p, for two Energy Services shares, which closed yesterday at 84p, up 14p. The share offer was thus valued at 91p. There is a 70p cash alternative underwritten by Hambros Bank and sub-underwritten through stockbrokers L. Messel.

Mr Askin and Mr Biermann plan to subscribe to a further 30 Peek shares at 20p each, giving them 17.5 per cent of Peek. Thus Peek, which now has 9m shares in issue, would issue 132m new shares in connection with the Energy Services offer and a further 30m to the two men.

Peek said it had received indications of support from some of Energy Services larger institutional shareholders. Some of these, including the Prudential, are understood to have participated in the sub-underwriting of the cash offer.

The investment arm of Hambros manages 80 per cent of Peek's existing equity on behalf of the Bank of England under its lifeboat scheme.

## S & N lifts offer and gets 12.5% stake in M. Brown

BY CHARLES BATCHELOR

Scottish & Newcastle Breweries yesterday increased the value of its takeover bid for Matthew Brown, the Blackburn-based brewer, by around £16m to nearly £98m. This increase enabled S & N to raise its stake in Matthew Brown from 4.9 to 12.5 per cent.

Matthew Brown's share price has raced ahead of S & N's offer price since the bid was announced on March 18. Yesterday's increase in the bid narrowed the gap but failed to close it entirely.

S & N's shares fell 3½p to 125½p to put a value of just over 432p on its bid. Matthew Brown rose 12p however to 440p—still nearly 8p out of S & N's reach.

The increase in the S & N bid price was nevertheless sufficient to persuade one major shareholder—believed to be the British Rail Pension Fund with just over 5 per cent—to sell to S & N.

S&N bought a total of 1.71m shares yesterday, comprising this block and a number of smaller stakes, at 440p per share to take its holding to 2.82m or 12.5 per cent of Matthew Brown.

As a result of these purchases S&N has added 81p cash per Matthew Brown share to its offer, which now comprises 14 S&N shares and 405p cash for every five Matthew Brown. It initially offered just 14 shares for five.

Schroders, which is advising Matthew Brown, said S&N had been aiming to increase its holding to 15 per cent and had failed. But Mr Alick Rankin, S&N chairman, denied S&N had set itself a target percentage.

Mr Rankin said: "We recognised that rightly or wrongly we had to put a higher value on our bid and in the process we picked up some of the shares we wanted."

Mr Rankin said he did not know why Whitebread Investment Company had increased its holding in Matthew Brown. On Wednesday, the company, which is part of the Whitbread brewing group, raised its stake in Matthew Brown from 5.04 per cent to 8.84 per cent.

Whitbread has a policy of intervening in contested takeovers to help the defending company. In 1983 it helped defeat a £26m takeover bid from Wolverhampton & Dudley Breweries for Davenports Brewery.

## Recovery strengthens Haden bid defence

By Martin Dickson

Haden, the mechanical and electrical engineering company fighting off a £37m cash takeover bid from Trafalgar House, yesterday reported a substantial recovery in pre-tax profits in the second half of 1984 and said its order books were at record levels.

The figures were contained in its defence document against the Trafalgar bid, which Haden said seriously undervalued the company and would severely damage one of its two core businesses—bulidng engineering srevices.

The document included Haden's preliminary results for 1984, showing pre-tax profits of £3.55m, against £213,00 in the first half and £6.02m in 1983. Turnover last year totalled £321.7m, against £269m in 1983. Earnings per share totalled 4.7p (24.4p), but the company is maintaining a final dividend of 6.375p, giving an unchanged 8.625p net for the year.

Haden said that a radical reorganisation of activities during the year, including the closure or selling of loss-making businesses, had paved the way for a significant upturn in profits in the second half, and provided a sound trading basis for 1985 and beyond.

Group operating profits from continuing businesses totalled £7.4m last year, of which £6m was earned in the second half. Losses of £4.4m were incurred on discontinued businesses and rationalisation resulted in a £5.6m extraordinary charge.

The document attacks two important elements of Trafalgar's offer document—that the company would benefit from Trafalgar's financial muscle and that its Haden Young building, industrial and process engineering businesses would benefit being under the wing of the larger company.

Haden said that with net cash and investments of £12.2m at the end of 1984, together with unused borrowing facilities, it had a strong balance sheet and entirely adequate financial resources to enable it to win and executive any contracts in its lines of business.

As for commercial logic, the document argued that "if Haden Young were to be owned by a contractor or a property developer (such as Trafalgar House) it would cease to be acceptable to many of its most valued customers and would wither."

Haden also maintained that Trafalga had made its bid with no clear knowledge or plans for the company's industrial finishing division.

## Tootal sets sights at £27m

BY CHARLES BATCHELOR

Tootal, the UK thread and textile group which is fighting off a £124m takeover bid from Entrad Investments of Australia, yesterday forecast a sharp increase in its pre-tax profits and dividend this year.

Just eight weeks into the year ending January 31, 1986, Tootal is forecasting a rise in pre-tax profits from £22.85m to not less than £27m, while earnings per share are expected to rise from 7.5p to not less than 9.3p.

The company said that no extraordinary charges are foreseen this year, compared with a charge of £25.9m last time. All the provisions needed to cover the group's rationalisation programme have been made, it added.

Tootal said it intends to pay an interim dividend of 1.5p, compared with 1.23p last year and a final dividend of not less than 2.5p, compared with 1.87p. The total dividend will increase by at least 29 per cent to not less than 4p per share and will be covered 2.3 times.

Mr Alan Wagstaffe, Tootal's chairman, stressed that because the forecasts were being made so early in the year they were made on a conservative basis.

The time taken to put the forecast together has nevertheless allowed Entrad to extend the bid period beyond the normal 60-day limit imposed by the City takeover code. It will close on April 12.

In Entrad's revised offer document, which was posted yesterday, the Australian group attacked Tootal's latest defence circular for not answering points made by Entrad.

It was critical of Tootal's marketing policy which, it said, resulted from its difficulty in recruiting experienced personnel with the right fashion skills. Tootal pointed out, however, that its 60-strong management group included many new people who had joined the company in the past two or three years.

Tootal's shares rose 2p to 75p — 5p above the level of Entrad's cash offer — on its profit forecast.

## Lonrho expects first half rise

BY CHARLES BATCHELOR

Lonrho, the international trading and mining group, expects results for the first six months of the current year will show an improvement and the 12 months to September 30 as a whole "will turn out well."

All the company's main profit earners were continuing to do well, Sir Edward du Cann, Lonrho's chairman, told yesterday's annual meeting. Kuhne & Nagel, Lonrho's freight-forwarding subsidiary was performing beyond expectations while expansion into the leisure business was showing encouraging results.

Lonrho earlier reported that pre-tax profit rose from £113.2m to £135.4m in the year ended September 1984 on barely changed turnover of £2.37bn.

The eight-year battle for control of House of Fraser, the Harrods department store group, took up a large part of Sir Edward's address to shareholders.

Ownership of Fraser is now poised to go to the Al-Fayed family of Egypt who have made an agreed bid worth £615m and acquired a 51 per cent stake in the company.

Sir Edward told more than 1,000 shareholders in the packed Great Room of the Grosvenor House Hotel: "Many questions of national interest arise from this affair which will demand an answer sooner or later by the Secretary of State for Trade and Industry.

"I believ that the whole conduct of this affair over the years has been grossly unfair to our company — as many commentators are now pointing out. Ministers have followed inconsistent policies. The debate will no doubt continue — but for us a chapter is closed."

Sir Edward said Lonrho decided to sell its 29.9 per cent stake in Fraser—for a profit of £70m—when a second Monopolies review seemed unlikely to free Lonrho to bid.

"It all looked very black for us: a large investment was at stake. We had to protect our own shareholders against a substantial fall in the value of their investment which would undoubtedly have arisen had, for instance, the Monopolies Commission found against us or had we even been disenfranchised."

Shareholders were treated to a 27-minute film—complete with swelling musical score — of Lonrho's activities around the world.

Only one shareholder punctured the euphoria of the meeting. Mr Sidney Chishick compared the apparently low levels of pay of many Lonrho employees around the world with the share option scheme available to many company executives.

He also questioned the logic of selling Lonrho's stake in Fraser and then renewing attempts to bid for the company.

Sir Edward replied that executive remuneration at Lonrho was in line with current practice while payment to overseas employees accorded with local customs. He queried why Mr Chishick remained a shareholder if he was so dissatisfied. with the company.

## Banro predicts profits and dividend rise

By Martin Dickson

Banro, the sunroof and car component manufacturer fighting a £4.3m takeover bid by C. H. Industrials, yesterday forecast improved profits in 1985 and said it proposed a 28 per cent rise in dividend payments for the year.

CHI, which also makes sunroofs, has extended its shares or cash offer until April 3, having received acceptances from the holders of 0.18 per cent of Banro ordinary shares. CHI held 7.6 per cent of Banro before launching its bid.

Banro argued yesterday that CHI had given no new reasons to support the takeover. It also said that it expected pre-tax profits in the year to December to be substantially above the £909,000 recorded by its continuing activities in 1984.

The board intended to recommend total dividends of 5.5p net for the year, against 4.3p in 1984.

CHI is offering convertible cumulative redeemable preference shares worth about 78.75p per Banro share, with a 75p cash alternative. Banro shares closed unchanged last night at 90p.

## Friedland Doggart

Friedland Doggart Group, maker of sound signalling equipment, improved pre-tax profits from £2.12m to £2.32m in 1984, on turnover of £12.14m (£11.51m).

After tax of £915,500 (£92,000) earnings per 25p share were down from 30.01p to 27.02p. The dividend total is higher at 7.25p (6.27p) net with a final of 4.45p.

## Nova suspended—in rescue talks

BY MARTIN DICKSON

SHARES in Nova (Jersey) Knit were suspended yesterday when the company revealed it was unable to make due repayments on its loan stock and had begun talks designed to put together a financial rescue package for the company. There is also to be a management shake-up.

Nova, a knitted fabric manufacturer of which the most important customer is Marks and Spencer, stirred up considerable controversy two years ago when it suddenly moved its operations from Wales to Nottingham while the workforce was on holiday.

Nova said yesterday that in the year to Marc h1984 it had lost £221,000 after tax and in the six months to September it had lost a further £225,000.

It was not in a position to repay its 7¼ per cent loan stock 1985 on the due date of March 31 and was discussing with its bankers, advisors and loan stock trustees and structure and management of the group.

It is hoping to ut together a package under which directors and associates would subscribe for a maximum of 1.5m new shares, giving a total cash injection of £450,000. Existing shares were suspended at 21p.

The new shares would represent some 42 per cent of the enlarged ordinary shares of the company, which is understood to be considering the possibility of a rights issue as an alternative means of raising equity capital.

As part of the package, there would be several board changes, including the appointment of Mr G. T. Craggs, a consultant, as managing director in place of Mr Frederick Strasser, who remains as chairman.

Mr Strasser, who holds some 21 per cent of the company's equity, is believed to be one of the directors who woul d subscribe for the new shares.

## BTR has 59.4% of Dunlop

BTR, the broadly-based conglomerate which has made a £101m agreed takeover bid for Dunlop, the tyre and rubber group, yesterday announced it had received acceptances from the holders of 59.4 per cent of Dunlop's ordinary shares.

It also has acceptances from the holders of 88.6 per cent of Dunlop's preference shares. It declared both the ordinary and preference offers wholly unconditional and said they would remain open until further notice.

By Wednesday, March 27, BTR had acceptances from the holders of 79.8m ordinary shares—55.5 per cent—and had also acquired or agreed to acquire 5.65m American Depositary Receipts, each representing one share.

It had acceptances from the holders of 8.88m preference shares—60.6 per cent—on top of the 4.09m preference shares it owned before making its bid.

# UK COMPANY NEWS

## Amari tops forecast with leap to £6.5m

Amari, the metals and plastics stockholder and distributor, which came to the market last July, has comfortably beaten the 1984 profits forecast made in the prospectus and accordingly is paying a larger - than - expected dividend.

Pre-tax profits for the year jumped to £6.51m, compared with a forecast of not less than £5.4m and £2.92m in 1983. The final dividend at 1.7p, is 0.3p more than projected making a total of 2.7p net.

At halfway, pre-tax profits had climbed to £3m (£1.47m).

Turnover for the year climbed from £137.61m to £162.3m. Tax charge was £2.44m (£1.58m) and earnings per 25p share are shown more than trebled from 5p to 15.8p. Minorities accounted for £112,000 (£87,000) and there was an extraordinary debit this time of £264,000, being a deferred tax adjustment.

The board says that while the overall achievement of the group is based on good results from all major activities, it is Amari's policy to apply its energies and expertise to the distribution of specialist high value metals and plastics.

To this end, the company has granted an option to ASV, a Norwegian aluminium producer, to acquire during April, Century Aluminium Company, Amari's extrusion subsidiary.

Provisional results for 1985 indicate that the company is continuing to trade successfully in all divisions.

**• comment**

Amari is comfortably ahead of its prospectus forecast and at the top end of most expectations, having repeated its normal trading pattern of a small second-half bias and received the benefits of the offer-for-sale proceeds. With the sale of Century, the aluminium manufacturer, the reorganisation of the group is now largely complete, leaving this specialist metals stockholder free to concentrate on distribution and iron out its sensitivity to economic cycles. To this end the company is looking to increase in geographic exposure, notably in North America, and expand its range of products into growth areas, the latter policy demonstrated by the opening of the new Southampton warehouse devoted to specialist steels for the aerospace industry. If anything, management will move slowly but surely in its attack on these new markets. The confident statement implies that the order books are full, making a £7.75m profit a realistic target this year and putting the flotation disaster, where most of the shares were left with the underwriters, behind it. At this level the prospective p/e of just under 8 at 135p, assuming a tax charge of over 35 per cent, does not look demanding.

## James Dickie

James Dickie and Co (Drop Forgings) reported a pre-tax profit of £2,163 in the year to October 31 1984, against a loss of £26,239. There was a tax credit of £33,964 (£35,109) making £36,109 (£8,870) in attributable profit.

Turnover was £4.26m (£3.68m) and earnings per share were quoted at 1.95p (0.48p). The final dividend is 0.5p (1.5p) making 0.5p (3p) for the year.

## Money broking boosts Mills & Allen to £13m

A NEAR £3m surge within the money and security broking operation of Mills and Allen International has led to a pre-tax profit rise of some 34.7 per cent in the half-year ended December 31 1984—from £9.42m to £12.68m.

Trading in the second half has continued satisfactory, the directors report. They are holding the interim dividend at 4p net per share and will review the overall level at the end of the year. In 1983-84 the total dividend was 14p when pre-tax profits reached £20m.

Profits before interest charges from the money and securities broking side came to £9.34m (£6.37m). The decline in interest rates stimulated trading activity in deposit and fixed interest security markets. Foreign exchange volume also improved despite sharp movements in exchange rates, which tended to discourage active trading.

In the U.S., the directors report that increasing profits were further boosted in sterling terms by the strong dollar. Garban recorded sharply improved profits reflecting higher levels of activity in the U.S. Treasury security market and a useful gain in the company's market share.

For insurance broking the profit was £517,000 (£449,000). In retail broking profits were well ahead, partly as a result of recent acquisitions and partly because of the introduction of new insurance products, and improved margins.

Priority is being given to improvement in systems, personnel training and store presentation as a prelude to further expansion of the network and the introduction of a uniform trading name.

Wholesale broking suffered a loss due to the continuing high cost of unravelling complex accounting problems inherited from company's acquired during the last three years, the directors state.

Media advertising contracting earned a profit of £2.41m (£2.19m). A good improvement in outdoor advertising in the UK, Belgium and Hong Kong helped the division to a higher level of profitability. Outdoor advertising companies are increasingly concentrating their efforts on generating higher revenues from their key sites.

The Ultravision unit, which displays three advertisements on one site, has proved particularly successful and plans are well advanced to introduce other, similar products.

Profit from Media Services was £697,000 (£751,000). The principal element is now Meadiamark Research Inc. where profits were ahead of last year, reflecting, in particular, the successful promotion of ancillary products.

The Media Services figures are not comparable with the previous year because of the sale of Shepperton Studios and Poster Publicity Holdings.

The money and securities broking division has started a number of new activities. An office has been opened in Los Angeles, a screen-based Canadian Government bond broking business set up in Toronto, and a municipal bond broking business established with offices in New York, Atlanta and Dallas.

The sale of a 51 per cent interest in Pearl and Dean Malaysia to Utusan Melayu has been completed at a net consideration of £500,000. The group retains a 27.1 per cent interest in the renamed Utusan Pearl and Dean.

In February the group disposed of its investment in Hogg Robinson Group at a profit of £2.7m after tax. This is not included in the interim results.

After tax £4.6m (£3.65m) and minorities £160,000 (£78,000), the net attributable profit for the half year came out at £7.92m (£5.69m). Earnings are shown to be 20p (14.4p) per share.

**• comment**

Mills & Allen's £12.7m pre-tax was somewhat better than expected. The group's development into apure financial services company is underlined by the almost 50 per cent increase in the contribution from money and securities broking. One disappointment was the failure of the wholesale insurance side which made a loss although the position of the Sime Darby guarantee as far as some of this could mean that the real loss will be in management time rather than money. Retail insurance profits kept this sector's head above water, however. Plans to float the media division, including Pearl & Dean, will be given a boost by the almost 6 per cent rise in media's profits—although the figures are better than this would suggest as they follow the disposal of both Shepperton Studios (for £3.6m in August) and Poster Publicity. The £2.7m from the sale last month of the group's stake in Hogg Robinson will be taken in the full year accounts. The improvement in margins plus the strong growth of the financial side is leading the market to expect pre-tax profits of over £26m for the year. This would produce a prospective multiple of over 9. However, uncertainties over the money broking business given today's volatile forex markets could be the reason for the 10p fall to 395p yesterday.

## Profits rise at BBK despite tight margins

ALTHOUGH MARGINS remained under pressure in certain areas, Brown Boveri Kent (Holdings) reported increased pre-tax profits of £7.59m for 1984, against £6.27m.

The group, which is engaged in the design, manufacture and marketing of industrial instruments and metering devices, is 54.5 per cent owned by BBC Brown Boveri of Switzerland.

An unchanged final dividend of 1.5p is being paid on the capital increased by a rights issue in May 1984, making a same again 2.5p total for the year. Net earnings per share are shown as 6.7p (6.9p).

Turnover rose by £11.83m to £117.46m during the year, and the directors say that currently the order intake is showing substantial improvement over the first few months of 1984. The growth in 1985 is expected to yield a further improvement in the group's performance.

Further advances were made by the group in 1984, the directors say. The rights issue raised £7.5m of new equity capital, and apart from the funding of working capital to support increased turnover, a proportion of the money was used for acquiring the Kent Water Meters distributor in the U.S.

Marketing activities, particularly in the U.S., Middle East and Far East, were expanded during the year, with orders improving by 17 per cent they say.

While the markets served by the group showed no noticeable change, the steady weakening of sterling against the currencies of the group's major competitors had a favourable impact. Margins, however, remained under considerable pressure in areas such as control valves and other process control products.

Tax took an increased £3.02m (£2.23m).

## Marginal reduction at LWT

LWT (Holdings), the parent company of London Weekend Television, reported a marginal reduction in pre-tax earnings from £5.5m to £5.43m for the half year to January 27 1985. Profits before Exchequer levy however, showed a 28 per cent decline from £9.51m to £6.86m.

Mr Christopher Bland, the chairman, says the lower profits reflect the depressed level of advertising revenue throughout the independent television industry since November 1984. This has been partially offset in the LWT group by a modest improvement in profits from publishing [illegible].

Although long-term prospects for television advertising remain good, the current depressed level of revenue, which LWT is experiencing in common with the rest of ITV, is likely to have an adverse affect on second-half results, he adds.

Turnover for the first half rose from £79.58m to £83.79m. Exchequer levy amounted to £1.44m (£4.01m). Reflecting a lower tax charge of £2.62m (£2.86m), attributable profits — after minorities — were ahead from £2.61m to £2.76m.

Earnings per 25p share are stated up from 15.68p to 16.42p and hte net interim dividend is maintained at 5.1683p, costing £883,000 (£867,000) — last year's total was 14.4p on £10.5m pre-tax profits.

## Charterhouse Petroleum reaps benefit from expanded output

REFLECTING AN increase in productive capacity brought about by acquisitions over 1984, Charterhouse Petroleum increased taxable profits more than threefold over the year. After much higher tax charges, the net attributable result came out at £11.52m against £5.1m.

The substantially higher pre-tax figure — £35.37m against a restated £9.62m—incluudes revenue from the Forties field from the beginning of the year, from the Buchan field since mid-March, and from the Netherlands P6 gas field from the end of June. It also reflects the depreciation of sterling in 1984.

Turnover for the year leapt to £83.24m against a figure of £18.46m for 1983, when the group's only source of production was the Thistle Field.

The directors of Charterhouse, one of the fastest growing oil and gas companies, say that they have accomplished the transition from a company with a limited number of licence blocks to one with an extensive range of exploration, appraisal and development projects.

They add that the group is well placed for success in its exploration programme. Due to the diversity of this and the large number of oil and gas discoveries in which it is now involved they feel it is in a good position to continue expansion.

Reflecting the importance they place on exploration and development, the directors state that it remains policy to reinvest a large part of income in these sectors. But in order to recognise the company's progress, they are to recommend an increase of 50 per cent in the final dividend, from 0.5p to 0.75p per share. This brings the total to 1p (0.75p), with earnings per share stated at 8.94p (5.46p).

Operating profits were up from £6.81m to £33.6m, after which a much bigger charge for interest at £5.33m (£641,000) was not offset by interest receivable at £4.3m (£3.15m) and exchange gains of £2.8m (£297,000).

The company's tax bill came to £23.85m against £4.52m, with by far the largest part of the increase accounted for by a £15.66m higher charge for petroleum revenue tax at £18.9m. Corporation tax was £4.95m against £1.29m.

Explaining the increased tax provisions, the directors say that recent proposals in the Budget to separate the tax treatment of onshore and offshore exploration means they cannot offset the costs of UK onshore exploration programme against profits from offshore production for PRT purposes.

The group transferred £10.18m (£4.23m) to reserves.

**• comment**

These results confirm what a radically different animal Charterhouse Petroleum has become in the past year in the wake of acquisitions of production and exploration assets totalling £100m. Not only is it a much bigger company in assets and cash flow, but it has expanded the payroll by half to 100 and it has for the first time become an operator. The problem is convincing the City that this big new business retains the virtues of the small old Charterhouse. Since the shares have fallen behind the market in the past year this is not a superfluous question. Clearly on the accounting score, the market need have no doubts—Charterhouse intends to be as conservative as ever: of the £23.8m tax charge, about £8m is current, the rest deferred. The company is also well on top of its production and cash flow programmes, with this year's output roughly equal to last year's and Humbly Grove probably coming on stream in 1986. But at the end of the day it is on exploration success that oil companies earn premium ratings—and 1984 was not a good year for Charterhouse. What it needs to lift the shares from the present 111p, where they trade on a multiple of about 12, is a good old-fashioned gusher.

## COMPANY NEWS IN BRIEF

**R. Cartwright (Holdings)**, manufacturer of products for the building and engineering industries, saw its pre-tax profits fall from £1.62m to £1.46m for 1984. Turnover moved ahead from £12.92m to £13.64m.

An increased final 5p (4.25p) dividend is recommended, making a total for the year of 6.5p (5.75p). Stated net earnings per 10p share are shown unchanged at 15.25p.

* * *

**Rivoli Cinemas**, entertainment and investment holder, announced pre-tax profit up to £103,000 in the six months to October 5 1984, against £96,000. Sales and entertainment receipts were £114,000 (£97,000) and investment income was £84,000 (£74,000). Earnings per share were 34.5p (31.3p).

* * *

Turnover of **Biomechanics International** dropped from £138,738 to £69,130 and the pre-tax loss deepened from £137,568 to £426,948, for 1984.

* * *

Pre-tax profits of **Bluebird Confectionery Holdings** rose from £115,00 0to £131,000 for the six months ended December 29 1984, on turnover of £4.77m (£4.82m). After tax of £60,000 (£25,000) earnings per share were 1.9p (2.4p) and the interim dividend is 1.599p (1.523p).

* * *

**Rea Brothers**, private banker, have announced group profits for the year, after taxation and making a transfer to inner reserves, of £950,000 in the year to December 31 1984 (£875,000). A dividend of 0.8p (0.8p) is recommended, making 1.25p (1.25p) for the full year.

* * *

Pre-tax profits surged from £597,000 to £3.07m at **Charterhall**, involved in oil and gas exploration and production, for the six months to end 1984. This exceeds the £2.53m achieved in the previous full year.

An interim dividend of 0.6p (nil) per 5p share is being paid Stated net earnings are shown as 3.43p (1.31p).

* * *

For 1984 turnover of **Jantar** rose from £473,000 to £735,000 while there was a turnroud from a £36,000 loss to a pre-tax profit of £223,000. The dividend is 2.5p (0.5p).

* * *

On half-year sales of £3.13m, against £2.95m, taxable profits of **W. A. Tyzack**, precision engineering component maker, increased to £125,361 (£110,490) for the period ended January 31 1985. The interim dividend is 0.6p (0.5p).

* * *

Profits dived from £250,993 to £6,038 for the six months to December 31 1984 at **Ben Bailey Construction** at the taxable level, and the interim dividend cut from 0.8p to 0.25p. Turnover sliped to £3.05m, against £3.32m. Earnings per share were 0.19p (3.86p).

* * *

**Westwood Dawes**, mechanical handling engineer, cut operating losses from £226,000 to £82,000 in 1984, which included a £51,000 profit on the sale of freehold land and buildings at Stourbridge. Deficit per 25p share was reduced from 17.89p to 6.46p.

The company achieved a return to profitability by the fourth quarter of 1984 and this improvement has continued into this year. Prospects for the manufacturing operation are now more encouraging.

Turnover was lower at £1.46m (£2.53m) reflecting the closure last year of the heavy construction side.

* * *

Turnover for the six months to December 31, 1984 amounted to £12.11m, against £11.15m. Tax came to £953,000 (£824,000), leaving net profits of £1.26m (£1.01m), equal to earnings per share of 19.7p (15.7p).

* * *

**F. W. Thorpe**, manufacturer of "Thorlux" lighting equipment, has made steady progress with taxable profits advancing from £386,725 to £449,763 in the firsthalf yer to December 31, 1984.

An interim dividend is being raised from 1.3p to 1.4p.

Trading profits rose from £311,017 to £342,683, on turnover of £3.15m against £2.84m.

Higher interest recieved, £31,372 ahead at £107,080, contributed to taxable profits. Tax absorbs £202,393 (£193,362), leaving net profits at £247,370 (£193,383).

Earnings per 10p share are showen at 8.06 against 6.3p.

* * *

**Noble and Lund**, engineer and machine tool maker, has turned a £570,000 loss last year into a £59,000 pre-tax surplus for 1984, and is returning to the dividend list with 0.1925p per 10p share. Turnover expanded from £594,000 to £1.52m.

With an improvement in orders there was a return to profitable trading in the second half: for the first six months losses amounted to £272,990.

* * *

The offer for sale by tender of 2.42m ordinary shares in **Sintrom**. The striking price is the minimum tender price of 175p.

Applications were received from 569 applicants. These included 24 applications from Sintrom employees which have been accepted in full.

All other applications for up to 100,000 shares will be accepted in full, while those applications for 100,000 shares and above will be accepted as to about 91 per cent of the number applied for.

A novel offer for sale of shares in **Blagden Industries** has been over-subscribed, N. M. Rothschild, the merchant bank which devised the issue, has announced.

The offer for sale by **Shorrock** has also been over-subscribed. The basis of allocation will be announced in due course.

* * *

The following securities have been added to the Share Information Service.

**Addison Page** (Section: Paper, Printing & Advertising)
**Bluebird Toys** (Industrials)
**Eastern Petroleum Australia Limited** (Oil & Gas)
**Memcom International Holdings** (Electricals)
**Polly Peck International 9pc Conv. Uns. Loan Stk '03-08** (Industrials)

## BANK RETURN

### BANKING DEPARTMENT

| | Wednesday March 27 1985 | Increase (+) or Decrease (—) for week |
|---|---|---|
| **LIABILITIES** | £ | £ |
| Capital | 14,553,000 | — |
| Public Deposits | 5,309 836,564 | — 1,304 367,247 |
| Bankers Deposits | 742,611,275 | + 131,652,204 |
| Reserve and other Accounts | 1,632,208,409 | — 41,844,075 |
| | 7,699,209,238 | — 1,214,559,118 |
| **ASSETS** | | |
| Government Securities | 523,836,288 | — 83,981,127 |
| Advance & other Accounts | 1,781,314,673 | + 304,230,807 |
| Premises Equipment & other Secs. | 5,388,138,868 | — 2,436,202,981 |
| Notes | 5,692,500 | + 1,387,267 |
| Coin | 226,909 | + 6,916 |
| | 7,699,209,238 | — 1,214,559,118 |

### ISSUE DEPARTMENT

| | £ | £ |
|---|---|---|
| **LIABILITIES** | | |
| Notes in circulation | 12,134,307,500 | + 98,612,733 |
| Notes in Banking Department | 5,692,500 | + 1,387,267 |
| | 12,140,000,000 | + 100,000,000 |
| **ASSETS** | | |
| Government Dept | 11,015,100 | — |
| Other Government Securities | 2,001,661,687 | — 715,081,506 |
| Other Securities | 10,127,323,213 | — 815,081,506 |
| | 12,140,000,000 | + 100,000,000 |

# APPOINTMENTS

## Capital & Counties promotions

CAPITAL & COUNTIES has elected Mr Dennis Marler, managing director since 1966, as chairman from July 26 following the annual meeting. The present chairman, Mr Keith Wallis, will remain on the board but will step down from the chairmanship. From the same date Mr Michael Rapp has been appointed deputy chairman and Mr Ray Moorman managing director. Mr Marler will retain an executive role on becoming chairman. Mr Ian Northen will retire as assistant managing director on May 1 but will remain on the board as a non-executive director. On May 1 Mr John G. Abel, and Mr John L. Saggers, both of whom have been with the company for many years, will join the board as executive directors.

*

Mr David J. Cooper has been appointed director of European business development for the PFIZER HOSPITAL PRODUCTS GROUP.

*

GORDON NORTH (BUILDERS) has appointed Mr Martin Halliwood and Mr Frank Pearson to the board.

*

CHARLES HAMMOND has appointed to the board Mr Ian Shaw, Interior design division: Mr Jerry Shively, executive vice-president and regional director Europe for McCann Erickson International, as a non-executive director; and Mr Nigel Brooks, currently new business director for Wiltshier London, has also joined as director of profit accountability.

*

YOUNG AUSTEN & YOUNG, a member of the Trafalgar House Group, has appointed Mr Peter Sweeney as director, southern region.

*

Mr Ian Mills has been appointed finance director of TARMAC'S building products division. He was with London Brick, where he was group financial controller and, latterly, deputy managing director of the company's engineering division.

*

IGG COMMUNICATIONS has been formed to market advertising "time" on both outdoor and indoor electronic information displays. Directors are Mr William Mannel, chief executive of the IGG Group; Mr Colin Bromley, group secretary; and Mr Peter Reynolds, chief executive of IGG Electronics, a group company.

*

Dr John Bridge, deputy director and head of industrial development of the North of England Development Council, has been appointed director of the YORKSHIRE AND HUMBERSIDE DEVELOPMENT ASSOCIATION. He succeeds Mr Trevor Nuttall, who has become director in charge of the Leeds office of Eurofi (UK), a financial consultancy.

*

Mr Terry Cave will become managing director of CONTROL DATA on April 22 when Mr Lyle Davidson, present UK managing director, retires. Mr Cave returns to the UK company from his present post as managing director of Control Data South Africa.

*

Mr Roy Watts and Mr F Adam Brown have been appointed non executive directors of VOSPER. Mr Watts is chairman of the Thames Water Authority and of David Brown Gear Industries. Mr Brown is a director of David Brown Gear Industries.

*

RAIR has appointed Mr Peter Thomas, previously managing director of Altos Computer Systems, as general sales manager.

*

VALIN POLLEN has appointed Mr Charles Downing and Ms Judy Jones as associate directors from April 1.

*

Mr John Poulton, for the past 11 years in charge of the fertiliser division of Colchester-based PERTWEE GROUP, has been appointed group managing director.

*

Mr David L. Massie has been appointed general manager of the Belgium, Holland and Luxembourg operations of SECURITY PACIFIC INTERNATIONAL LEASING (EUROPE) INC. He retains his other responsibilities for Major Assets Financing and will be based in London. Mr Michael J. Garland has joined as a manager in the major assets group.

*

Mr David Rocklin, currently chairman, has become president, and Mr Les Thorley, currently managing director, becomes chairman of OPAX LOTTERIES INTERNATIONAL, a subsidiary of Norton Opax.

*

HONEYWELL has appointed Mr Derek Kent as director of its international marketing education centre in Hammersmith, West London. He was market development manager.

*

Mr Alan Watson has been appointed a non-executive director of WADLOW GROSVENOR INTERNATIONAL from April 1. He is this year's president of the Liberal Party and is a director of Reed Vision, cable satellite broadcasting arm of Reed Publishing and of Bolton Telecable. He is deputy chairman of Sterling Public Relations.

*

Sir Archie Lamb has been appointed a part-time member of the board of BRITISH SHIPBUILDERS for two years. He is an *executive director of* Britoil.

*

Mr Clifford John Woods has been appointed head of finance to WESSEX WATER AUTHORITY, based in Bristol. He is assistant director of finance for the Southern Water Authority.

*

WEDGWOOD has appointed to the board, Mr Raymond W. Smyth, president of Josiah Wedgwood & Sons Inc of America.

*

Mr N. D. Johnson, Mr C. Morgan, Mrs C. M. Maurice and Mr M. R. L. Lewis become partners of ALLEN & OVERY on April 1.

*

ROYAL INSURANCE (UK) has made the following appointments: Mr D. A. Rusk, organisation officer, management services department. Mr A. H. Beveridge, head of department, fire, commercial insurances division and Mr M. D. McLaughlin property underwriter, fire, commercial insurances division.

*

LONDON TAXIS INTERNATIONAL, subsidiary of Manganese Bronze Holdings, has made the following appointments to its board. The company has been reorganised as parent of the companies in the group's vehicle division: Mr Christopher Cook becomes chief executive. He was group marketing director of Automotive Products. Mr Spencer King (non-executive) has also been appointed to the group as engineering consultant. Mr King is retiring from BL, where he has been deputy chairman of BL Technology. Mr Edward Osmond as engineering director. He takes up his appointment on June 3 on relinquishing his position as engineering director of Reliant Motors. The remainder of the board of LTI will consist of Mr Dennis Poore, chairman, Mr Jamie Borwick (directors of Manganese Bronze Holdings), and Mr Grant Lockhart, Mr Andrew Overton and Mr Barry Widdowson, who have been managing directors of the three operating companies now forming the LTI sub-group.

*

TRADE AND COMMERCIAL CREDIT CORPORATION has appointed Mr Ian A. Marshall chairman, Count Alexander Bathory, managing director, Mr Nigel T. Perfect, director and company secretary, Earl of Burford, director, and Mr R. W. Peck, head of administration.

*

Mr Thomas A. Binks has been appointed to the board of MANUFACTURERS HANOVER as an executive director. He is in charge of interest rate and currency swaps in London. Mr Raphael Hodgson joins the board as a director. He is based in New York and is a senior vice-president of Manufacturers Hanover with responsibility for currency swaps.

*

Mr Martin Wardman has been appointed a director of PARAMBE. He is chairman of Deblinaire, a company which invests in unquoted companies at an early stage in their development. One of these, Access Satellite International, was launched on the USM last November. Mr Wardman is also chairman of Access Satellite and a director of Sound Diffusion.

*

COMMODORE INTERNATIONAL has appointed one of IBM's UK marketing executives as head of Commodore's UK operations. Mr Nick Bessey takes over as Commodore UK's general manager on April 9. He was the key strategist behind IBM's new UK dealer channel and retail marketing division.

# THE PROPERTY MARKET BY MICHAEL CASSELL

## Asda going for a quote

MANNY DAVIDSON, who in 1970 sold his property interests to Gerald Caplan's doomed London and County Securities, is bringing his rebuilt property empire to the London Stock Market.

Davidson plans an April flotation for Asda Property Holdings, his hybrid development and investment group whose £37m portfolio is split almost evenly between residential and commercial property. Net tangible assets stand at around £18.5m, with most of the debt related to trading stock.

The offer for sale is expected to put a price tag of between £16m and £20m on the company, in which Davidson and his family will retain 65-70 per cent of the equity. Funds raised will be used to widen the company's capital base and will give it the chance to issue paper to acquire more property.

Asda's net rental income and profits are on a rising trend and the company has pushed up its pre-tax figures from around £100,000 to £700,000 over the last four years. A pre-tax figure in excess of £1m seems just around the corner.

Since the 1970s, Asda has been busy building up a mix of mainly secondary commercial, as well as let residential investments. The investment and trading operation operates almost exclusively in London and the south east and goes for property where management, refurbishment or redevelopment can push up values. According to Davidson: "We are looking for an angle in everything we do. We do not buy anything unless we can wring more out of it."

The commercial portfolio comprises about 45 per cent retail property, 35 per cent offices and 20 per cent industrial. There are 15 shop investments, the largest of which is in High Road, Loughton, valued last December at £2.3m.

The office portfolio includes 12 properties. The highest value refurbished property is at 52 Haymarket, valued at £1.4m, while Friden House, Blackfriars Road is—at £1.25m—the highest value reversionary investment. In addition to a modest industrial portfolio, the company also owns 12 commercial properties held for resale.

But it is the residential business which is likely to provoke most questions among potential City investors, not best known for their love of this particular sector of the investment market. Asda currently owns over 1,500 residential units, of which around 1,000—mostly individual houses—are tenanted. There are some block of flats.

In the last two years, the company has spent about £17m on acquiring residential properties, of which around £10m has gone on portfolios costing over £1m each. Many of the homes are located in areas of high growth in house prices, like Radlett, Rickmansworth, Harrow and Guildford.

Davidson says Asda buys in the regulated tenancy residential market, at between 40-50 per cent of vacant possession values, on an actuarial basis. Though the Rent Acts keep rental increases low—initial yields are 3-4 per cent—there is a big uplift in capital values when vacancies arise. Around 10 per cent of the portfolio is vacated in any one year.

Davidson says its residential agents—there are about 30 of them employed to look after the properties—have discretion to spend £100 on repairs without reference to the company. "Landlords can have a bad reputation but we work very hard to ensure our properties are kept in excellent condition," Davidson adds.

There is clearly some appeal in a company which offers funds the chance to invest in the residential market by proxy, so avoiding the pitfalls of direct ownership. The success of companies like Warner Estate, Bradford Property Trust and Daejan certainly show there is a demand.

Davidson accepts funds have not in the past liked let residential investments but reckons that the history of house prices, plus the prospect of another rent act which might "loosen the shackles" spell an increasingly profitable future.

But while the institutions' interest in residential property can be encouraged via this type of "hands off" investment, they will run a mile from the merest whiff of controversy. Asda's future rating will depend not only on profits performance but on its ability to remain the perfect landlord.

## Hammerson facelift for Square One

HAMMERSON GROUP is to spend C$33m (£20.6m) in a major refurbishment programme at its Square One shopping centre in Mississauga, Toronto. The 1.1m sq ft investment was acquired in early 1984 as part of the Mascan portfolio.

Work is about to start on the centre and, when it is completed in August 1986, it will include an additional 140,000 sq ft of retailing space. The exercise is designed to upgrade the existing shopping facilities to put them on an equal footing with schemes like the Eaton Centre, also in Toronto. Additional natural light will be provided.

Hammerson, which in January acquired the Rank Organisation's Canadian investment portfolio for C$87.9m, says that a new agreement has already been reached with Brettons — the Canadian trading name of C and A — for a 42,000 sq ft store which will open at the same time as the completion of the Square One refurbishment.

● STOCKLEY has purchased more land adjacent to its Stockley Park development, close to Heathrow airport, where the company has won outline planning consent for a 1.5m sq ft science park. The complete project could cost up to £125m and Universities Superannuation Scheme has agreed to provide initial funding facilities of £75m.

When Stockley acquired Trust Securities in 1983 it became co-owner, with USS and the London Borough of Hillingdon, of 325 acres at Stockley Park and has since been adding to its landbank in the locality. In April last year it acquired an additional 53 acres for £2.75m and in November it purchased a further 7.5 acres from British Alcan for over £2m.

This week the company, in which Jacob Rothschild, Elliott Bernerd and Stuart Lipton are shareholders, said that it had acquired a further 22 acres adjacent to Stockley. It is paying £450,000 cash for seven acres owned by Costain Property Developments, £3m cash for 13.5 acres of zoned industrial land from Wimpey Plant and Transport and £800,000 cash for 1.5 acres owned by W. W. Hall.

● Unilever has agreed terms with a joint venture formed by Stockley, British Land and Barclays Bank Pension Fund for the refurbishment of three office buildings at Salisbury Square, London, formerly part of the group's head office complex. The project will create 155,500 sq ft of office space, available in early 1986. Baker Harris Saunders and Kirkwood Craig are letting agents.

## No room for timid in retailing

AGAIN AND again, from France and Spain, from the United States and from Britain, the message came to this week's International Council of Shopping Centres conference in Madrid—if you are going to invest in shops, don't play "follow my leader."

At a time when retail investment remains firmly at the top of most fund managers' shopping lists, delegates were left in no doubt that, while the meek might inherit a sound asset, the best returns awaited the brave.

Jean-Louis Solal, charismatic president of French developers Societe des Centres Commerciaux, reported on his spectacular Madrid 2 shopping centre and said the $50m investment, netted to $25m after land sales, was already producing a 19 per cent yield.

Peter Sim, property investment director and chief investment surveyor of Legal and General, said its trail-blazing shopping centre refurbishment at Preston was valued at £9m in 1980, rose to £18m after refurbishment in 1982 and last year was worth £35m.

Edward Whitefield, a highly-rated retail consultant, warned that a passive approach to retail investment could cost dearly from now on. "Space is beginning to exceed the amount of spending; overspacing and the resulting shakeout is going to be a major force in shopping development over the next five years; we are moving into an era of saturation."

Whitefield emphasised that customers are no longer "accepting mediocrity" and that the margin of error in investment terms is now so slim that buyers of retail property could no longer afford to get it wrong.

Listing some of the potential, key depressants on traditional, shopping centre property values, he pointed out that retail sales are declining as a proportion of consumer spending. In the UK, a fall from 45.5 per cent in 1975 to 40 per cent in 1982 had so far been masked by overall growth in consumer expenditure.

Whitefield also cited tougher competition between conventionally sited retailers and the impact on Sunday trading as factors likely to affect retail rental growth. Off-centre retail warehouses and shopping centres would impinge upon downtown trading while electronic marketing and financial services could take a small but significant proportion of traffic from the High Street.

All of which suggests that single, High Street shopping units with an average market value of around £1m, so beloved of the more passive institutions, could suffer badly if and when the shakeout comes.

● Out of Town, it seems Town and City, not amused by the potential £500,000 cost of a planning battle, has proposed an alignment of interests with Capital and Counties-Pearson Lakeside, who are competing for permission to develop a retail and leisure centre at Thurrock, Essex. Capco, however, is not impressed with the T and C proposals and reckons its scheme alone will attract anchor names like John Lewis or Marks and Spencer.

WILLIAM COCHRANE

THE ICSC design awards are about shopping, not architecture. So while the architecturally popular Ealing Centre, courtesy Legal & General, got private praise from the awards committee for its brave brick towers and other external effects, it got no award.

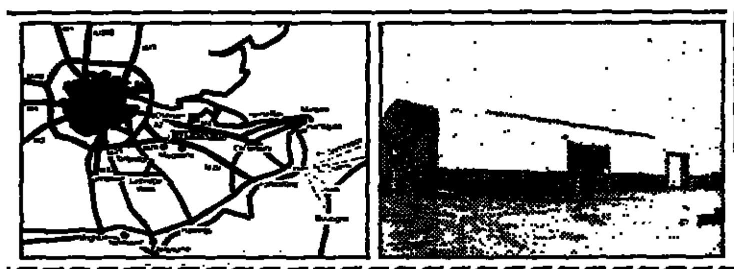
Madrid 2—one of last year's joint winners—the "outside in" centre with sails on the roof and parking in a pit, offered drama. At the Ridings in Wakefield, Capital & Counties' joint prizewinner offered style. But this year, a combination of location, design, an almost unprecedented pre-letting success and, it is understood, a very effective investment sale, enabled the GA Group's Cameron Toll development in Edinburgh to walk away with the honours.

Other winners were, in the small (up to 100,000 sq ft) category, Royal Life's £9m Cavern Walks project in Mathew Street, Liverpool, while Wilma Group won the refurbishment prize for its Roselaar shopping centre at Roosendaal, Holland. Monarch Properties Nutgrove Centre in Dublin received a certificate of merit for its George Bernard Shaw Mall which, being Irish, is actually a square.



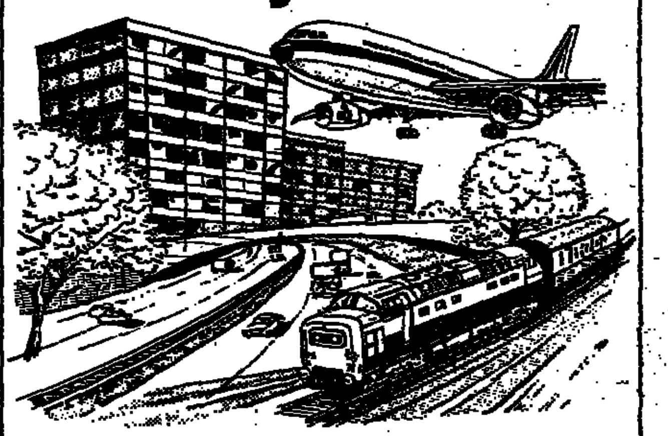








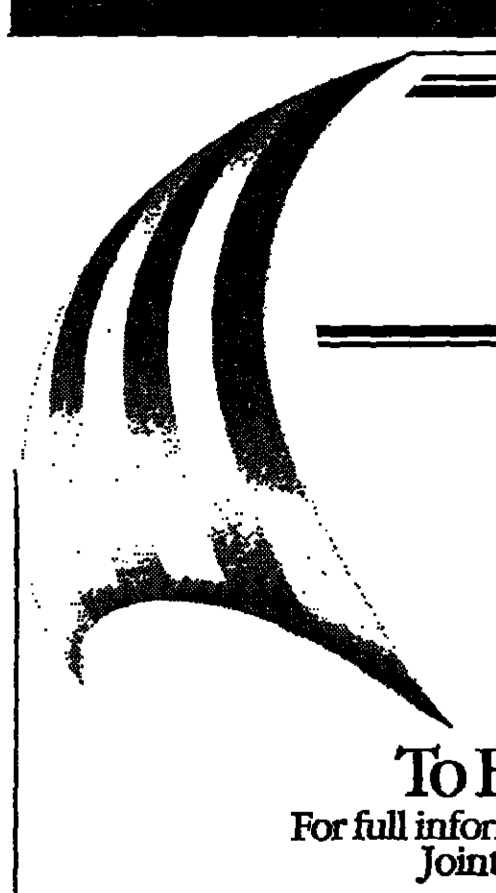






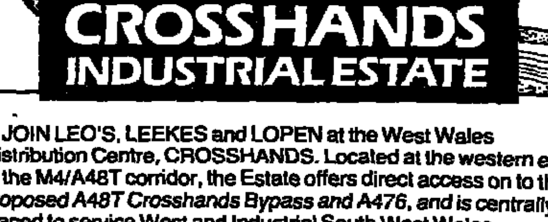












# LET teams up for Basingstoke offices

LONDON & EDINBURGH Trust, which this week revealed plans for a £70m office development on the site of the former Courage brewery in Reading, has formed a partnership with Guinness Peat Properties and Lovell Developments to develop a 133,000 sq ft office scheme in Basingstoke.

The company has now completed the purchase of the bus station site at Churchill Way and the scheme will represent the largest speculative office project in Basingstoke for several years. The building will be known as Churchill Plaza and should be completed in January 1987. Healey & Baker, Knight Frank & Rutley and L. S. Vail are letting agents.

The deal comes at a time when the Basingstoke office market is quickly gathering strength. L. S. Vail reckons that around 400,000 sq ft of office space was let or put under offer during 1984 in a town whose total office stock then stood at about 1.5m sq ft. Available floorspace has now dwindled to just under 150,000 sq ft.

● Arlington Securities has paid £10m for British Car Auctions' 26-acre site at Frimley, Surrey, together with Expedier House, BCA's former headquarters building in Farnham.

Arlington, which is currently engaged in the development of business parks in Marlow, Newbury and midway between Southampton and Portsmouth, intends to develop another 340,000 sq ft business park at Frimley. The site is adjacent to junction 4 of the M3 motorway and work on the first speculative phase of 50,000 sq ft in 5,000 sq ft-20,000 sq ft units will start in early summer. Talks are taking place with a single funding institution. Strutt and Parker are letting agents.

● Honda Motor Company has paid Vickers just over £3m for 342 acres of land at South Marston airfield, to the east of Swindon. oHnda has obtained planning permission to develop two, 200,000 sq ft buildings for use as a pre-delivery inspection and warehousing centre. Following the sale, Vickers, which has just sold its leasehold interests in Millbank Tower, London, to Legal and General, retains ownership of 270 acres for development. J. P. Sturge and Chestertons acted for Vickers and IDC Consultants advised Honda.

● Arab Banking Corporation has purchased 1, Moorgate City, from Commercial Union for a figure believed to be around £41m and will use the 49,000 sq ft building as its London office.



## International Property













## Offices To Let











## Land Wanted



## IBA Investments







## Factories & Warehouses





## Company Notices

**ROBECO**

Robeco N.V. announce a cash dividend of Fls 2.72 per ordinary share of Fls 10 (Fls 0.272 per sub-share) for the financial year 1984.

BEARER SHARE WARRANTS WITH COUPONS ATTACHED

Coupon No 83 accompanied by the appropriate claim form should be presented to the Company's Paying Agents, National Westminster Bank PLC, Stock Office Services, 3rd Floor, 20 Old Broad Street London EC2N 1EJ, on business days between the hours of 10 a.m. and 2 p.m. Claims must be submitted by personal presentation. Postal applications cannot be accepted.

The dividend will be payable at Fls 2.72 per share, less tax as appropriate, as from 10th April 1985 against surrender of Coupon No. 83.

Coupons presented by, or on behalf of, shareholders who are subject to United Kingdom Income Tax will be subject to Netherlands Dividend Tax at the rate of 15% and United Kingdom Income Tax at the rate of 15% on the gross dividend. Forms 92 VK will not be required in respect of claims lodged within six months of the payment date. Coupons No. 83 presented on or after 10th October 1985 must be accompanied by a completed Form 92 VK duly certified by the individual shareholder's Inspector of Taxes.

If the coupons presented are accompanied by the appropriate certified Forms 92 supplied by residents of Australia, Austria, Belgium, Canada, Denmark, Finland, France, The Federal Republic of Germany, Indonesia (reduction to 20% only), The Republic of Ireland, Israel, Japan, Luxembourg, the Netherlands Antilles, New Zealand, Norway, Singapore, South Africa, Spain, Surinam, Sweden, or the United States of America, Netherlands Dividend Tax amounting to 15% will be withheld. Forms 92 VS must be submitted in duplicate, signed by the applicant, but need not be authorised by the U.S. Inspector of Taxes.

Residents of Switzerland can apply for a partial refund by submitting a Form R-NL 1 to Dutch Fiscal Authorities. This form can be obtained from the Eidgenoessische Steuerverwaltung, Bern. Reduction to 15%.

Residents of Italy can have a full refund by submitting Form 92 IT, certified by their local tax inspector, to the Inspector of Corporation Tax, Wibaut Straat, 2-4, Amsterdam, with the relevant dividend note.

In all other cases Netherlands Dividend Tax at 25% will be deducted from the gross dividend.

Exemption from United Kingdom Income Tax may be claimed by lodging the usual affidavit certifying non-residence in the United Kingdom.

SUB-SHARE CERTIFICATES REGISTERED IN THE NAME OF NATIONAL PROVINCIAL BANK (NOMINEES) LIMITED

United Kingdom Banks and Members of the Stock Exchange should lodge the special claim form with the National Westminster Bank PLC, Stock Office Services, 3rd Floor, 20 Old Broad Street, London EC2N 1EJ.

Payment of the dividend must be marked on the reverse side of the certificate in accordance with "Marking Name" procedures.

Other claimants must also complete the special claim form and present this at the above address together with the relevant certificate(s) for marking by the National Westminster Bank PLC.

All claims must be submitted by personal presentation. Postal applications cannot be accepted.

Income Tax requirements will be as shown above for Bearer Share Warrants.

The Record Date is 28th March 1985. Payment will be made by National Provincial Bank (Nominees) Limited on or after 10th April 1985 and will be subject to Marking Name commission.

CONVERSION OF DUTCH CURRENCY

The Dutch currency will be converted into sterling on 28th March 1985. A further announcement will be made shortly giving full sterling details of the dividend in respect of Fls 10 ordinary shares and Fls 1 sub-shares.

SHAREHOLDERS IN THE REPUBLIC OF IRELAND

Approved Agents in the Republic of Ireland may present coupons to the Company's Paying Agents there, Allied Irish Banks PLC, Registrar's and New Issue Department, Bankcentre, PO Box 954, Ballsbridge, Dublin 4.

Claims on sub-share certificates registered in the name of the Munster and Leinster Bank Nominees Limited should be lodged with Allied Irish Banks PLC, Registrars and New Issue Department, Bankcentre, PO Box 954, Ballsbridge, Dublin 4.

29th March 1985

## CITY OF TURIN
## U.S.$10,000,000 9% Bonds 1991

S. G. WARBURG & CO. LTD., announce that the annual redemption instalment of US$500,000 due 1st May, 1985 has been met by purchases in the market to the nominal value of US$130,000 and by a drawing of Bonds to the nominal value of US$370,000.

The distinctive numbers of the Bonds drawn in the presence of a Notary Public, are as follows:—

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 14 | 67 | 96 | 113 | 139 | 155 | 187 | 209 | 274 |
| 320 | 351 | 386 | 434 | 501 | 550 | 583 | 632 | 647 | 669 |
| 684 | 703 | 735 | 759 | 784 | 804 | 845 | 865 | 880 | 894 |
| 973 | 1007 | 1065 | 1119 | 1146 | 1207 | 1260 | 1276 | 1303 | 1329 |
| 1384 | 1414 | 1447 | 1482 | 1505 | 1526 | 1630 | 1646 | 1691 | 1727 |
| 1752 | 1782 | 1799 | 1869 | 1891 | 1913 | 1934 | 1986 | 2070 | 2142 |
| 2196 | 2255 | 2276 | 2319 | 2363 | 2395 | 2481 | 2525 | 2561 | 2594 |
| 2656 | 2674 | 2702 | 2716 | 2743 | 2770 | 2785 | 2805 | 2871 | 2894 |
| 2921 | 2945 | 3051 | 3115 | 3130 | 3163 | 3242 | 3260 | 3282 | 3355 |
| 3383 | 3400 | 3414 | 3456 | 3485 | 3521 | 3643 | 3676 | 3693 | 3756 |
| 3812 | 3830 | 3855 | 3870 | 3894 | 3912 | 3926 | 3943 | 3960 | 3973 |
| 3989 | 4005 | 4021 | 4034 | 4180 | 4223 | 4249 | 4302 | 4344 | 4362 |
| 4375 | 4392 | 4409 | 4424 | 4442 | 4454 | 4504 | 4516 | 4543 | 4571 |
| 4633 | 4650 | 4683 | 4787 | 4871 | 4913 | 4934 | 4951 | 4963 | 4981 |
| 4996 | 5029 | 5045 | 5109 | 5125 | 5193 | 5225 | 5243 | 5262 | 5276 |
| 5292 | 5316 | 5333 | 5391 | 5409 | 5424 | 5449 | 5466 | 5481 | 5563 |
| 5592 | 5609 | 5624 | 5644 | 5665 | 5693 | 5709 | 5725 | 5742 | 5756 |
| 5774 | 5800 | 5821 | 5836 | 5851 | 5896 | 5911 | 5925 | 5942 | 5959 |
| 5976 | 5992 | 6009 | 6026 | 6040 | 6055 | 6081 | 6095 | 6114 | 6130 |
| 6144 | 6167 | 6184 | 6315 | 6347 | 6375 | 6402 | 6415 | 6434 | 6480 |
| 6511 | 6567 | 6599 | 6609 | 6624 | 6662 | 6686 | 6884 | 6915 | 6942 |
| 6970 | 7005 | 7040 | 7104 | 7127 | 7155 | 7170 | 7193 | 7211 | 7226 |
| 7242 | 7254 | 7270 | 7284 | 7351 | 7367 | 7461 | 7874 | 7889 | 7904 |
| 7916 | 7933 | 7946 | 7961 | 7976 | 7992 | 8006 | 8023 | 8036 | 8052 |
| 8066 | 8083 | 8095 | 8109 | 8126 | 8141 | 8155 | 8172 | 8185 | 8201 |
| 8214 | 8231 | 8246 | 8261 | 8275 | 8289 | 8304 | 8321 | 8334 | 8350 |
| 8363 | 8380 | 8395 | 8409 | 8425 | 8440 | 8452 | 8467 | 8483 | 8499 |
| 8513 | 8527 | 8543 | 8556 | 8573 | 8587 | 8603 | 8615 | 8631 | 8646 |
| 8662 | 8679 | 8692 | 8707 | 8722 | 8735 | 8751 | 8766 | 8781 | 8794 |
| 8811 | 8826 | 8841 | 8855 | 8872 | 8884 | 8900 | 8914 | 8930 | 8946 |
| 8961 | 8974 | 8989 | 9006 | 9021 | 9033 | 9049 | 9063 | 9079 | 9094 |
| 9110 | 9124 | 9139 | 9153 | 9166 | 9182 | 9196 | 9212 | 9229 | 9243 |
| 9259 | 9273 | 9286 | 9303 | 9314 | 9330 | 9345 | 9362 | 9376 | 9391 |
| 9407 | 9422 | 9435 | 9451 | 9465 | 9480 | 9499 | 9510 | 9525 | 9540 |
| 9555 | 9571 | 9584 | 9601 | 9613 | 9627 | 9646 | 9660 | 9673 | 9687 |
| 9704 | 9720 | 9733 | 9750 | 9763 | 9780 | 9794 | 9807 | 9823 | 9836 |
| 9852 | 9867 | 9882 | 9899 | 9913 | 9929 | 9944 | 9955 | 9971 | 9985 |

On 1st May, 1985 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
33, King William Street, London, EC4R 9AS,

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st May, 1985 and Bonds so presented for payment must have attached all coupons maturing after that date.

US$3,000,000 nominal Bonds will remain outstanding after 1st May, 1985.

The following Bonds drawn for redemption on the dates stated below have not yet been presented for payment:—

1st May, 1984
6 355 2660 2781 2800 3199 4701

1st May, 1983
2744 2779 2810

1st May, 1982
2767 2806

N.B. The Bond No. 2780 has become prescribed.

No further payment will be made on this Bond or Coupons therefrom.

33, King William Street, London, EC4R 9AS — 29th March, 1985

### ELECTRICITE DE FRANCE

National Service
Public Corporation of the French State
(Law on nationalisation of Electricity and Gas of April 8, 1946)

Registered Office:
2, rue Louis Murat — PARIS (8ème)

BONDS 8.50% 1971-1986 OF USD 1.000

NUMERICAL LIST

(1) Of the series including the 4,000 bonds which were drawn on the eleventh drawing by lot dated March 7th, 1985 making up the total nominal amount of USD 4,000,000 to be redeemed on May 1st, 1985:
— 1,505 to 4,894
— 14,630 to 15,719

(2) Of the series drawn on the previous drawings including bonds not yet presented for redemption.
Drawing dated March 8th, 1978 — Redemption May 1st, 1978:
— 10,677 to 11,476
Drawing dated March 8th, 1983 — Redemption May 1st, 1983:
— 15,720 to 16,745

These bonds will be redeemed at USD 1,000 at the office of the FRENCH AMERICAN BANKING CORPORATION in NEW YORK and at the offices of the following banks:
— BANQUE NATIONALE DE PARIS, PARIS
— BANQUE PARIBAS, PARIS
— CREDIT LYONNAIS, PARIS
— SOCIETE GENERALE, PARIS
— CREDIT COMMERCIAL DE FRANCE, PARIS
— LAZARD FRERES ET CIE, PARIS
— BANCA NAZIONALE DEL LAVORO ROME
— SOCIETE GENERALE DE BANQUE, BRUXELLES
— BANQUE DE PARIS ET DES PAYS BAS POUR LE GRAND DUCHE DE LUXEMBOURG, LUXEMBOURG
— DEUTSCHE BANK A.G., FRANKFURT
— ALGEMENE BANK NEDERLAND N.V., AMSTERDAM
— BARCLAYS PLC LONDRES

Outstanding amount: USD 4,800,000

### ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the forty-eighth annual general meeting of members of Anglo American Gold Investment Company Limited will be held at 44 Main Street, Johannesburg on Friday April 19 1985 at 09h00, for the following business:

1. To receive and consider the annual financial stateents of the company for the year ended February 28 1985.
2. To elect directors in accordance with the provisions of the company's articles of association.
3. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:
   "That the directors are hereby authorised:
   (i) To allot and issue all or any portion of the 247 988 unissued ordinary shares of R1 each and the 60 000 000 unissued redeemable cumulative preference shares of 10 cents each in the capital of the company, at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine.
   (ii) To make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:
   (a) any shares in the company offered by way of rights issues but not taken up by the persons entitled thereto; and
   (b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London stock exchanges in the period during which they are quoted on such stock exchanges may be sold by the underwriters, and the net proceeds of any sale of such rights shall be paid to the company."

Holders of share warrants to bearer wishing to attend the meeting in person or by proxy must comply with the regulations of the company under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the company.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per D. M. Davidson,
Divisional Secretary

March 28 1985

There are no service contracts granted by the company or any of its subsidiaries to any of its directors, which require to be made available for inspection in terms of the requirements of The Stock Exchange in London.

Registered Office:
44 Main Street,
Johannesburg 2001.

London Office:
40 Holborn Viaduct,
London EC1P 1AJ.

aac

## Clubs

# FT COMMERCIAL LAW REPORT

## Licence terms for patented drug not to be settled before right arises

IN RE GIST-BROCADES NV AND ANOTHER
Queen's Bench Division: Mr Justice Falconer: *March 15 1985*

**AFTER THE end of its 16th year a "new existing patent" may be extended for a further four years during which licences may be obtained in it as of right; but applications to the Comptroller of Patents for settlement of the terms of such licences should be made after the 17th year has begun and cannot be entertained in advance to enable them to operate for the full four-year extension period.**

Mr Justice Falconer so held when refusing applications by Gist-Brocades NV, a Dutch pharmaceutical company, and Brocades (Great Britain) Ltd, an associated British company, for judicial review of the Comptroller of Patents's refusal to settle the terms of licences of right in a patented drug before the end of the 16th year of the patent.

Section 35 (2) of the Patents Act 1949, repealed by Schedule 6 of the Patents Act 1977, provided that where a patent was endorsed with the words "licences of right," "(a) any person shall, at any time thereafter, be entitled as of right to a licence under the patent upon which such terms as may, in default of agreement, be settled by the Comptroller . . . (6) All endorsements . . . shall be entered in the register of patents and shall be published in the Journal . . ."

Section 46 (3) of the 1977 Act provides that where entry is made in the register that licences are to be available as of right "(a) any person shall, at any time after the entry is made, be entitled as of right to a licence under the patent on such terms as may be settled by agreement or, in default of agreement, by the Comptroller . . ."

Paragraph 4 of Schedule 1 to the 1977 Act provides: "(1) The term of every new existing patent . . . shall be 20 instead of 16 years . . . (2) . . . (c) every such patent shall after the end of the [16th] year be treated as endorsed under section 35 of the 1949 Act . . ."

* * *

**HIS LORDSHIP** said that Amoxycillin, a penicillin compound, fell within a patent owned by Beecham, dated August 20 1969.

The patent, which had been granted under the Patents Act 1949, was a "new existing patent" as defined in paragraph 3 of Schedule 1 to the Patents Act 1977.

As a new existing patent its term, which would have lasted 16 years under the 1949 Act, was extended to 20 years. In the extended term it was to be treated as endorsed with the words "licences of right."

Gist-Brocades and Brocades ("the companies") wished to take advantage of the licence of right provisions to market Amoxycillin in the UK during the 1985-86 bronchitis season, as from commencement of the 17th year of the patent.

During 1984 they attempted to negotiate the terms for a licence of right. Beecham took the view that it was premature to negotiate, but sai dit would be prepared to discuss terms at "an appropriate time." Under the 1949 and the 1977 Acts, terms were to be settled by the Comptroller in default of agreement.

*In December* 1984 the companies applied to the Comptroller for settlement of terms. He refused to entertain the applications then, but stated they would be held in abeyance until August 21 1985, the day after the date on which the patent was due to be treated as endorsed.

The companies applied for judicial review of the Comptroller's decision, contending that an application for settlement of terms might be made before the beginning of the 17th year. Beecham supported his view that he could not entertain the applications until after the end of the 16th year. It contended that the applications should have been refused outright and not allowed to remain in abeyance.

*The companies* pointed out that if the Comptroller was right the licence could only be granted well after the four year extended term of the patent had begun, as the time to dispose of such applications was usually about 12 months.

The obstacle to the companies' contention lay in "at any time thereafter" in section 35(2)(a) of the 1949 Act, the effects of which could only follow after the endorsement had been made; and in "at any time after the entry is made" in section 46(3)(a) of the 1977 Act, the effects of which could only follow after entry in the register had been made.

Mr Jacob, for the companies, submitted that because of the repeal of section 35, paragraph 4(2)(c) of Schedule 1 to the 1977 Act was a nonsensical provision which the court must try and construe in some other way. He said the court should re-write it to provide that applications might be made before the end of the 16th year, to allow the licence to operate from the beginning of the 17th year.

He argued that if the Comptroller were right, the monopoly period of a new existing patent would depend on Patent Office procedure and how quickly or slowly that procedure was gone through, and would vary from patent to patent. He described that as a "startling" conclusion. He said the court should conclude that Parliament intended that anyone could have a licence of right for the full four-year extension, and could have the terms settled before commencement of the four years, so that it could operate from such commencement.

That last submission, if right, would lead to an even more startling conclusion — a potential licensee could approach the patentee long before the end of the 16th year, perhaps long before the patentee had even considered whether to renew the patent for the extended period. On his declining to negotiate the potential licensee would then be able to apply to the Comptroller, perhaps years in advance.

Mr Paterson, for the Comptroller, submitted that paragraph 4(2)(c) did not require re-writing but, when given its natural construction according to the ordinary meaning of the words, could be fitted in as part of a sensible scheme relating to new existing patents.

*His explanation of that scheme* was that under paragraph 4(1) the term of every new existing patent was increased to 20 years instead of 16 if the patentee so decided and paid the renewal fees. As under rule 39 of the Patent Rules 1978 the renewal fee need not be paid until the last day of the 16th year, that pointed against the contention that the Comptroller could entertain applications before commencement of the 17th year.

Since the patent, after the end of the 16th year, was to be treated as endorsed under section 35, the provisions of section 35(2) were to be treated as applying by operation of law only after the end of that year. Thus the provisions of paragraph 4(2)(c) came into operation on the same day—the beginning of the 17th year.

As a procedural matter, a potential licensee could not apply under section 35 because it had been repealed. But paragraph 1 of the Transitional Provisions in Schedule 4 to the 1977 Act provided that insofar as anything done under a repealed provision of the 1949 Act could have been done "under a corresponding provisions" of the 1977 Act, it should not be invalidated by the repeal.

Section 46 of the 1977 Act was the provision "corresponding" to section 35 and accordingly, said Mr Paterson, that was the appropriate section under which the application should be made.

Since the patent was to be treated by operation of law as having been endorsed under section 35, it was likewise to be treated as having had an entry of such endorsement made in the register pursuant to section 35 (6). It followed that after the end of the 16th year the patent was to be treated as one in respect of which there was an entry "licences of right" on the register. Thereafter the provisions of section 46, relating to a patent in respect of which such entry had been made, applied to that patent.

Mr Paterson's argument presented a sensible construction of the material provisions, providing a reasonable, coherent and workable scheme for such extended new existing patents, without any need to treat paragraph 4(2)(c) of Schedule 1 as a nonsensical provision to be re-written. His construction was right.

Accordingly the Comptroller was correct in his view that the applications could not be entertained until after the end of the 16th year. It followed that they should have been rejected.

The application for judicial review was refused.

*For the companies: Robin Jacob QC and Mary Vitoria (Lovell White and King).*

*For Beecham: David Kitchin (Simmons and Simmons).*

*For the Comptroller: Gerald Paterson (Treasury Solicitor).*

**By Rachel Davies**
*Barrister*

**March 29, 1985**

هكذا من الأصل



SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday March 29 1985

Strong demand for first zero coupon Bulldog bond, Page 44

WALL STREET

# Momentum proves hard to maintain

WALL STREET stocks continued to edge up towards the higher end of the March trading range at first yesterday, but ran out of support before the end of the session. Rates plunged sharply over the full range of the credit markets as Wall Street sensed that the Federal Reserve is keeping the credit reins slack at present *writes Terry Byland in New York.*

The Dow Jones industrial average ended with a net fall of 4.20 points at 1260.71, having lost an earlier rise of more than six points. Turnover improved again, to record a total of 101.8m shares traded in the session.

Treasury bill yields fell by around 20 basis points as the Federal Reserve checked a rise in the federal funds rate with the announcement of overnight system repurchases.

Bond prices rose by about three quarters of a point as the market also braced itself for the final leg of the week's Treasury refunding programme with the auction of $4.25bn of bonds.

The fall in rates in the credit market followed Senate testimony by Martha Seger, a governor of the Federal Reserve, indicating that the Fed might encourage rates downwards. This, together with the Fed's market actions which came in the wake of its Open Market Committee meeting, offset the dull retail interest shown at this week's auctions of Treasury securities.

In when-issued trading ahead of the auction, the yield on the 20-year federal bond dipped to 12 per cent at mid-session, from 12.10 per cent overnight. Yesterday's firmer trend in the dollar was thought likely to stimulate foreign demand at the auction.

Unocal traded heavily again, adding 2⅛ to $49⅞, with speculators buying the stock as Mesa Partners, the Boone Pickens investment vehicle, confirmed that it now held 13.6 per cent of Unocal and might call for a restructuring of the oil company.

IBM at $126⅝ put on ⅛, with its latest challengers in the computer market, Honeywell, ½ up at $57¾, Burroughs ½ up at $59½, and American Telephone and Telegraph ⅛ easier at $21.

Renewed strength was shown by many other technology issues, notably Digital Equipment, which added $¼ to $103⅝. Data General $1⅛ higher at $45¾ and Texas Instruments, $⅛ up at $112¾.

Motor stocks turned mixed after several firm sessions. The only stock to hold to the upward tack was Ford, $⅝ higher at $43⅝.

Increases in posted U.S. crude oil prices brought further gains in oil stocks. At $50⅛, Exxon added $¼ to bump its 52 week high again. Atlantic Richfield, $⅛ up at $48⅝ and Chevron $⅛ better at $34⅝ were again in favour.

Among Canadian companies quoted on the NYSE, Massey-Ferguson rallied to stand unchanged at $2¼ after dipping to $2⅛ when two deals, totalling 1m shares, were traded at this price.

Also on the American Stock Exchange, ADRs in Imperial Group, the British tobacco giant, slipped $⅟₁₆ to $2⅔₁₆ after the board said it was in talks aimed at selling the Howard Johnson hotel group. BAT Industries, the rival UK tobacco company, eased $⅟₁₆ to $4⅟₁₆ in the wake of the trading results.

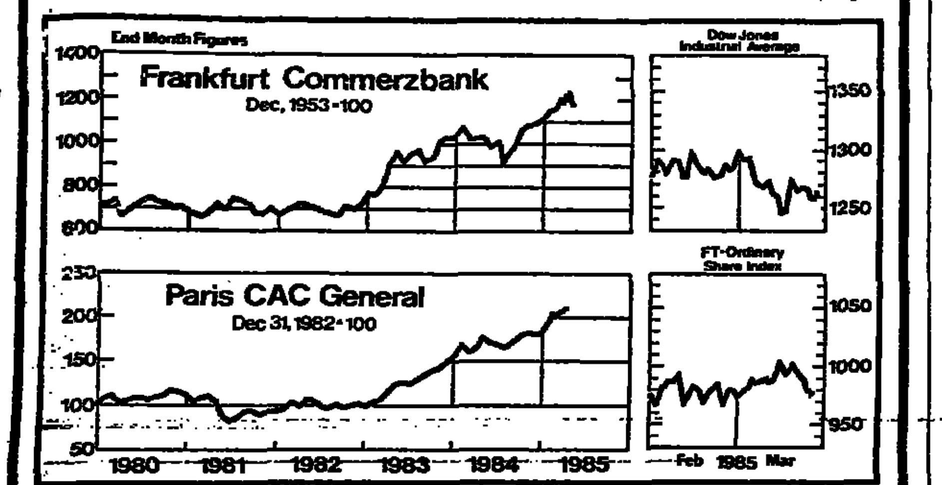
After joining the list of major corporations to warn on earnings trend, Black & Decker dipped $2¾ to $21⅛. Other features included American Cyanamid, down at $50½ on market hints that Novatrone, its anti-cancer drug, is finding problems gaining approval from the U.S. Food and Drug Administration.

Weyerhauser, the latest timber products group to attract takeover hopefuls, headed the active stocks list, although the price held unchanged at $27⅞.

In the credit market, the firmness of bonds ahead of the Treasury auction indicates a willingness by traders to take more stock on board, despite the lines left with them at the two previous auctions.

Federal funds touched 9 per cent before settling at 8¾ per cent after the Fed had taken action to help liquidity. The market was not surprised by the upswing in federal funds, and settled down to wait for favourable money supply data at the close of the session.

## KEY MARKET MONITORS




STOCK MARKET INDICES

| | Mar 28 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1,260.71 | 1,264.91 | 1,174.62 |
| DJ Transport | 600.09 | 599.53 | 508.33 |
| DJ Utilities | 152.85 | 151.36 | 128.32 |
| S&P Composite | 179.54 | 179.55 | 159.88 |
| **LONDON** | | | |
| FT Ord | 978.1 | 979.3 | 881.8 |
| FT-SE 100 | 1,287.1 | 1,288.0 | 1,103.6 |
| FT-A All-share | 620.33 | 620.92 | 524.77 |
| FT-A 500 | 677.96 | 677.82 | 567.93 |
| FT Gold mines | 506.3 | 502.1 | 651.9 |
| FT-A Long gilt | 10.51 | 10.53 | 10.05 |
| **TOKYO** | | | |
| Nikkei-Dow | 12,604.02 | 12,550.82 | 10,700.9 |
| Tokyo SE | 1,004.80 | 1,005.90 | 843.73 |
| **AUSTRALIA** | | | |
| All Ord. | 826.1 | 826.4 | 739.8 |
| Metals & Mins. | 518.2 | 519.6 | 518.1 |
| **AUSTRIA** | | | |
| Credit Aktien | 73.17 | 72.47 | 54.96 |
| **BELGIUM** | | | |
| Belgian SE | 2,254.53 | 2,255.93 | – |
| **CANADA** | | | |
| Toronto Metals & Minls | 2,017.9 | 2,023.4 | 2,344.0 |
| Composite | 2,608.4 | 2,601.4 | 2,379.3 |
| Montreal Portfolio | 129.25 | 129.18 | 116.36 |
| **DENMARK** | | | |
| Copenhagen SE | 178.92 | 178.64 | 179.33 |
| **FRANCE** | | | |
| CAC Gen | 211.0 | 210.4 | 162.5 |
| Ind. Tendance | 115.6 | 115.4 | 86.20 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 408.48 | 408.55 | 348.53 |
| Commerzbank | 1,181.5 | 1,183.2 | 1,023.4 |
| **HONG KONG** | | | |
| Hang Seng | 1,352.90 | 1,350.65 | 1,118.85 |
| **ITALY** | | | |
| Banca Comm. | 272.93 | 276.08 | 220.02 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 204.0 | 204.2 | 159.1 |
| ANP-CBS Ind | 165.5 | 165.4 | 127.3 |
| **NORWAY** | | | |
| Oslo SE | 301.82 | 302.74 | 258.82 |
| **SINGAPORE** | | | |
| Straits Times | 822.11 | 817.06 | 980.12 |
| **SOUTH AFRICA** | | | |
| Golds | n/a | 1,030.2 | 981.8 |
| Industrials | n/a | 883.3 | 1,069.5 |
| **SPAIN** | | | |
| Madrid SE | 111.04 | 111.14 | 84.56 |
| **SWEDEN** | | | |
| J & P | 1,399.63 | n/a | 1,550.1 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 419.0 | 422.5 | 366.4 |
| **WORLD** | Mar 27 | Prev | Year ago |
| Capital Int'l | 202.5 | 200.1 | 186.1 |

GOLD (per ounce)

| | Mar 28 | Prev |
|---|---|---|
| London | $327.00 | $331.75 |
| Zürich | $326.45 | $330.50 |
| Paris (fixing) | $327.40 | $328.58 |
| Luxembourg | $329.30 | $330.75 |
| New York (Apr) | $326.80 | $327.80 |

* Latest available figure

CURRENCIES

| (London) | U.S. DOLLAR Mar 28 | U.S. DOLLAR Previous | STERLING Mar 28 | STERLING Previous |
|---|---|---|---|---|
| $ | – | – | 1.228 | 1.239 |
| DM | 3.1295 | 3.125 | 3.8425 | 3.875 |
| Yen | 253.0 | 251.85 | 310.5 | 312.5 |
| FFr | 9.5475 | 9.545 | 11.7275 | 11.84 |
| SwFr | 2.6475 | 2.6485 | 3.25 | 3.27 |
| Guilder | 3.5305 | 3.5375 | 4.325 | 4.385 |
| Lira | 1,997.0 | 2,003.5 | 2,452.0 | 2,487.5 |
| BFr | 62.9 | 63.05 | 77.05 | 78.1 |
| C$ | 1.3717 | 1.3675 | 1.6825 | 1.6825 |

INTEREST RATES

| | Mar 28 | Prev |
|---|---|---|
| **Euro-currencies** (3-month offered rate) | | |
| £ | 13⅟₁₆ | 13⅞ |
| SwFr | 5¾ | 5¾ |
| DM | 6 | 6 |
| FFr | 10¹¹⁄₁₆ | 10¹⁵⁄₁₆ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 9⁵⁄₁₆ | 9¼ |
| 6-month U.S.$ | 9⅝ | 9¹³⁄₁₆ |
| **U.S. Fed Funds** | 8¾ | 8⅛ |
| **U.S. 3-month CDs** | 8.75 | 8.80 |
| **U.S. 3-month T-bills** | 8.18 | 8.33 |

U.S BONDS

| Treasury | Mar 28* Price | Mar 28* Yield | Prev Price | Prev Yield |
|---|---|---|---|---|
| 10⅜ 1987 | 100¹⁷⁄₃₂ | 10.519 | 100⁸⁄₃₂ | 10.64 |
| 11⅝ 1992 | 100⁶⁄₃₂ | 11.71 | 99¹⁵⁄₃₂ | 11.85 |
| 11¼ 1995 | 97⅔₃₂ | R11.75 | 96¹⁸⁄₃₂ | 11.839 |
| 11¼ 2015 | 96⁶⁄₃₂ | 11.725 | 95¹⁸⁄₃₂ | 11.80 |
| **Corporate** | Mar 28* | | Prev | |
| AT & T | Price | Yield | Price | Yield |
| 10⅜ June 1990 | 25⅛ | 11.65 | 25⅛ | 11.65 |
| 3⅞ July 1990 | 73⅞ | 10.62 | 73⅞ | 10.62 |
| 8¾ May 2000 | 74¾ | 12.50 | 74¾ | 12.50 |
| Xerox | | | | |
| 10⅞ March 1993 | 97 | 11.20 | 97 | 11.20 |
| Diamond Shamrock | | | | |
| 10⅜ May 1993 | 90⅝ | 11.20 | 97 | 11.20 |
| Federated Dept Stores | | | | |
| 10⅞ May 2013 | 74¾ | 12.50 | 74¾ | 12.50 |
| Abbot Lab | | | | |
| 11.80 Feb 2013 | 94.186 | 12.55 | 94.186 | 12.55 |
| Alcoa | | | | |
| 12¼ Dec 2012 | 94.72 | 12.95 | 94.72 | 12.95 |

FINANCIAL FUTURES

| CHICAGO | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| June | 69–00 | 69–09 | 68–14 | 68–24 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| June | 91.31 | 91.37 | 91.13 | 91.22 |
| **Certificates of Deposit (IMM)** $1m points of 100% | | | | |
| June | 90.55 | 90.59 | 90.34 | 90.44 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| June | 90.11 | 90.12 | 89.93 | 89.94 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| June | 106–19 | 107–11 | 106–16 | 106–27 |

COMMODITIES

| (London) | Mar 28 | Prev |
|---|---|---|
| Silver (spot fixing) | 533.30p | 544.55p |
| Copper (cash) | £1,149.50 | £1,151.50 |
| Coffee (May) | £2,208.00 | £2,202.00 |
| Oil (spot Arabian light) | $27.80 | $27.80 |

LONDON

# Base rate fall checks advance

CUTS IN UK base lending rates caused sterling to lose upward momentum and brought gilt-edged securities back from higher mid-session levels in London yesterday.

Foreign exchange markets encountered a large volume of overseas profit taking which flowed through to the gilt-edged sector. The overseas offering petered out but market confidence had by then been dented and gilts were reluctant to respond to sterling's late trend. The rate closed only 1 cent down at $1.2280.

Equity interest was again confined to companies reporting trading statements. Good corporate results pushed Lucas 16p higher to 283p.

Illustrating the continuing post-budget apathy in most blue chip industrial issues, the FT Ordinary shares index settled 1.2 down at 978.1, after showing a fall of 2.5 during the morning session.

*Chief price changes, Page 36; Details, Page 37; Share information service, Pages 38–39*

## HONG KONG

CAUTION before today's announcement of Jardine Matheson's annual results pervaded trading in Hong Kong, leaving the market to move between a narrow range in relatively light business.

Demonstrating the hesitancy, the company's shares closed unchanged at HK$9.0, while the Hang Seng index added 2.25 to 1,352.90 – one of its smallest changes for several weeks.

Sun Hung Kai Properties, which on Wednesday announced a strong profit improvement for 1984, came under heavy attention and gained 15 cents to HK$9.0.

Speculative trading in Hong Kong Industrial and Commercial Bank backed a 45 cent advance to HK$3.35, while Hongkong Bank rose 5 cents to HK$8.40 and Hang Seng Bank gained 50 cents to HK$47.0.

## SINGAPORE

THE LETHARGY that has dominated business in Singapore during recent weeks eased as traders anticipated that the start of a new settlement month might spur additional buying.

A technical reaction to falls during the two previous days also helped to account for a 5.05 rise in the Straits Times industrial index to 822.11.

Institutions were notably absent, leaving most of the buying to private investors attempting to take advantage of the recent selling. Cycle & Carriage recovered 16 cents to close at S$3.94 as takeover speculation was rekindled by the sale of a 12.6 per cent stake in the company.

## SOUTH AFRICA

GOLD SHARES continued to rise in Johannesburg despite a weaker tone in the international bullion market. Buying interest was evident for both leaders and second line gold shares, although price movements were smaller than those registered earlier this week.

Anglo American Gold added R1.50 to R167.0 with Driefontein 75 cents higher at R53.50 and Gold Fields SA 50 cents up at R31.50.

## CANADA

OIL STOCKS led strong trading in Toronto. Building on the previous day's advance, the prices of a broad range of stocks rose as the tempo of business accelerated.

The strength of the oil sector was based on hopes that the Government is to announce a package of initiative favourable to the industry. Canada Rose traded C$¾ higher to C$19.0, Texaco Canada C$2⅞ to C$35⅞ and BP Canada C$1⅞ to C$30⅞.

EUROPE

# Paris rises above early setback

A LATE wave of bargain hunting enabled French shares to recoup early declines and allowed the bourse to close at a second consecutive record high.

A similar late upturn helped German shares ahead, but in most other European centres shares continued their mixed to lower trend.

In Paris, some early profit-taking was seen, in reaction to Wednesday's advance which was attributed to U.S. investors seeking a currency hedge as the dollar eased.

But the market again picked up, spurred by strong demand from foreign investors and domestic institutions, and the CAC General index added 0.6 to close at a high of 211.0.

Store issues were particularly strong, with Galeries Lafayette up FFr 26 at FFr 411.

Valeo, the motor parts group, was FFr 3 lower at FFr 227 after the holding company suspended its 1984 dividend in the wake of a net FFr 129.5m loss for the year.

In Frankfurt, a continuation of Wednesday's easier tone was seen early in the day, but investors later judged that the selling spree had been overdone. However, the subsequent upturn was not fully reflected in the mid-session calculation of the Commerzbank index, down a further 1.7 at 1,181.5.

The movement was mirrored by activity in Siemens, which dropped to a low of DM 524 but recovered to end a net 50 pfg down on the day at DM 526. AEG added 20 pfg to DM 107.80 after a low of DM 107.

Among the banks, Commerzbank eased 20 pfg to DM 164.80 in the wake of its unchanged 1984 dividend on higher group net profits and the announcement that it plans to issue dividend rights certificates.

Deutsche Bank, which on Wednesday also declared an unchanged dividend and announced a planned bond issue with share warrants, shed DM 4.30 to DM 432.20.

Dresdner added DM 2.10 to DM 187.10, having traded as low as DM 182.70, after its announcement of a capital move and indication of higher 1984 profits.

Elsewhere, Linde, which announced higher domestic group profit, shed DM 3.50 to DM 411. Among other engineerings, MAN fell DM 2.50 to DM 150.50.

The motor manufacturers were mixed with VW up DM 2.50 at DM 200.50 and BMW advancing DM 1.50 at DM 380. Daimler fell DM 4.50 to DM 661 and Porsche slipped 50 pfg to DM 1,174.50.

The dollar's continued slide helped bond prices ahead, with the mood also helped by hopes that the Federal Government's heavy borrowing will soon slacken. The Bundesbank sold DM 86.9m of paper following sales totalling DM 104.7m the previous session.

Brussels was marginally lower in moderate trading. Société Générale de Banque eased just BFr 5 to BFr 3,400 with investors paying little attention to the sharp fall in 1984 consolidated profits after its write-off of losses.

Among other financial issues, Groupe Bruxelles Lambert fell BFr 25 to BFr 1,955, Société Générale de Belgique BFr 20 to BFr 1,980 and Kredietbank BFr 190 to BFr 8,200.

Vieille-Montagne, the zinc group, gained BFr 10 to BFr 6,360 in reaction to the fourfold increase in net earnings and planned dividend – the first since 1976.

Fabrique Nationale gained BFr 85 to BFr 2,000 despite its announcement of a 1984 loss.

Investors remained hesitant in Amsterdam, still awaiting forthcoming corporate reports.

But Philips fell Fl 1.30 to Fl 59.50 in reaction to the forecast of slower growth in coming years. Akzo was 70 cents higher at Fl 110.50 ahead of its annual report, due today.

Shipper Nedlloyd was Fl 2.50 higher at Fl 186 and van Ommeren added 80 cents to Fl 31.30. However, brewer Heineken fell 60 cents to Fl 156.20.

Bonds were little changed in moderate trading with selective demand for lower coupon issues. The dollar's lower trend continued to underpin sentiment, with investors becoming more confident that interest rates are taking a downward course.

A mixed to lower trend was again seen in Zurich with the sharply higher Swiss franc unable to shake the market from the lethargy that has been dominant for the past week.

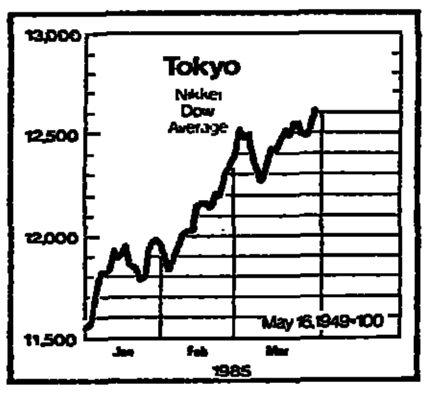
Nestlé fell SwFr 120 to SwFr 6,350, Swissair SwFr 13 to SwFr 1,135 and Jacobs Suchard SwFr 50 to SwFr 6,350.

Alusuisse dipped SwFr 10 to SwFr 853 ahead of more details of its 1984 results scheduled for next week.

Bonds were slightly higher in fairly active trading with high coupon issues continuing to attract demand.

Milan registered a fourth consecutive daily decline. Olivetti continued to be hurt by market rumours that financier Carlo de Benedetti might sell his controlling stake.

Madrid continued lower, with prices undermined by month-end selling orders while Stockholm was also easier in quiet trading.




TOKYO

# Yen's rally spurs march to new peak

THE OVERNIGHT upturn on Wall Street, combined with the yen's continued rally against the dollar, led the Nikkei-Dow market average to yet another record in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

In the spotlight were biotechnology-related and non-ferrous-metal issues and stocks with off-the-book assets. However, some market sources began to worry about the outlook for such selected stocks.

The Nikkei-Dow added 53.20 points to 12,604.02. Turnover stayed high with 614.40m shares traded, although down from 854.34m of the previous session. Advances led declines by 448 to 321, with 125 issues unchanged.

Financial institutions, non-residents and individual investors actively sought incentive-backed and highly capitalised stocks.

Nippon Steel became the busiest issue with 27.44m shares changing hands, firming Y3 to Y157. Mitsubishi Heavy Industries, seventh with 13.84m, weakened Y1 to Y275, while Mitsui Toatsu, second with 27.06m shares, remained unchanged at Y237.

Some professionals noted that market interest was beginning to shift to incentive-backed stocks. Mitsubishi Steel climbed Y75 to Y545 on the sixth largest volume of 15.65m, with its production of amorphous alloys, seen as having high growth potential. Other amorphous alloy-related issues also gained ground with Nippon Chemical firming Y26 to Y454 and Japan Metals and Chemicals Y24 to Y472.

Among stocks with off-the-book assets, Heiwa Real Estate, third with 18.60m, advanced Y57 to a record high of Y839, eclipsing the previous record. The upturn was spurred by the prospect for higher rental income from the newly expanded Tokyo Stock Exchange building.

Tobu Railway put on Y10 to Y275, while Mitsubishi Estate eased Y5 to Y644 and Nippon Express was down Y5 to Y377.

Biotechnology-related stocks firmed: Asahi Chemical, fourth with 16.89m, moved up Y2 to Y877, Toyama Chemical Y51 to Y966, Tanabe Seiyaku Y100 to Y1,330 and Kuraray Y50 to Y935.

Gold-mining stocks were mixed. Sumitomo Metal Mining shed Y50 to Y1,890. By contrast, Nippon Mining, fifth with 15.92m, increased Y6 to Y415, and Mitsui Mining and Smelting Y5 to Y560.

Stimulated by the yen's strength, bonds firmed. City and trust banks mainly traded in bonds issued about six months after the benchmark 7.3 per cent government bond due in December 1993 as the barometer issue is certain to meet massive profit-taking sales soon.

The yield on the 7.3 per cent government issue dropped marginally from 6.680 per cent to 6.665 per cent, but the rate on the 7.0 per cent government bond, maturing in June 1994, fell from 6.860 per cent to 6.780 per cent.

● The Tokyo Stock Exchange is poised to introduce reduced brokerage commission rates for deals exceeding Y50m on a sliding scale which should bring costs for large deals down by an average 10 per cent, *writes our Financial Staff in London.*

Transactions above the Y50m level account for an estimated 30 per cent of all deals on the exchange, implying a 3 per cent loss in fees for the brokers. The reductions are the first since 1977.

For deals valued at between Y50m and Y100m, the commission rate will come down from 0.6 per cent to 0.55 per cent.

A cut to 0.45 per cent from 0.55 per cent will be made for trades of Y100m to Y300m. The 0.55 per cent commission is the maximum level for any deal larger than Y100m.

Transactions worth Y300m to Y500m will require the equivalent of 0.35 per cent as brokerage fees, while those of Y500m to Y1bn will take a 0.3 per cent commission charge.

For deals bigger than that, fees will be 0.25 per cent.

Institutional investors in Japan and abroad have been unhappy with the existing levels of Japan's commissions in comparison with those in major overseas stock exchanges.

The cut is intended to accommodate a substantial rise in stock prices and an increase in big deals involving the institutions. The reduction is also influenced by demands for a relaxing of the commission structure. Such calls have mounted with the accelerated liberalisation of the country's capital and financial markets.

BOMBAY

# Speculators' wings are clipped

THE BOMBAY Stock Exchange, India's largest, last night suspended trading in shares of the 55 most actively traded companies, *writes R.C. Murthy in Bombay.* The move was to curb speculative buying that has built up after the country's budget of March 16, which included significant boosts for industry as well as cuts in corporate and other taxes.

Restricted trading will be permitted by the exchange, which is closed until Monday, in other shares. The suspensions, the first for many years, will be reviewed next week.

Stock-market authorities in Bombay and Calcutta first intervened on Wednesday after share prices soared to unprecedented levels.

The All India share index of the Economic Times, India's main business newspaper, surged to a peak of 335.4 compared with 311.3 the day before the budget.

The authorities had feared a sharp sell-off once the initial euphoria had worn off. Stock traders were asked on Wednesday to deposit cash ranging from one rupee to Rs 40 a share for transactions in the 25 largest companies in Bombay and the 15 largest in Calcutta.

Operators, fired by the bullish fervour, have, however, shifted in the past two days to trade in second-rank shares.

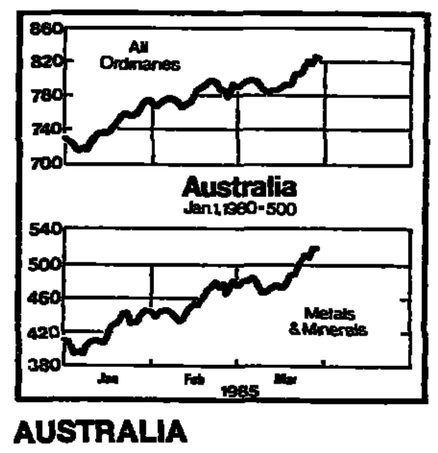
The gains were shared by a wide cross-section of Indian business. Shares in the market leader, Tata Iron and Steel Company (Tisco) were quoted at Rs 493, with a gain of Rs 51.

After an initial post-budget hesitation, equities on the Bombay exchange picked up momentum after favourable comments by Mr N.A. Palkhivala, tax expert and a critic of all government budgets for the past several years.

"It is an epoch-making budget for redesigning India," he told a public meeting four days after the budget. Turnover on the exchange jumped to Rs 134.3m the following day from a daily average of Rs 76m. Shares on stock markets in Calcutta, Delhi and Madras also made significant gains.

Other stocks in keen demand – and among those now halted – were Tata Engineering and Locomotive Company, India's leading commercial vehicle manufacturer; Reliance Textile-Industries, a textiles and petrol-chemical conglomerate; Associated Cement Companies; and Gwalio Rayon.

Those with foreign links drew particular enthusiasm. They include Colgate, Hindustan Lever and India Photo (a Kodak affiliate). Electronics companies like Peico, which has Philips links, and International Computers Indian Manufacture (an ICL associate) were also on the forefront after special concessions for the electronics industry and relaxed rules on foreign electronics investment were announced by the Government.




## AUSTRALIA

CURRENCY considerations led to a withdrawal of the buying support that on Wednesday drove Sydney share prices to record levels. A weakening in the U.S. dollar coupled with renewed strength in the Australian dollar put international investors on the retreat.

Local institutions failed to fill the gap, leaving the way open to a round of moderate profit-taking, concentrated on leading mineral issues.

Gold stocks were singled out for buying as the international bullion price continued to firm. That tended to counteract the selling of other mineral stocks and the metals and minerals index closed down 1.4 at 518.2.

Among blue-chip issues to lose ground, MIM eased 5 cents to A$3.05, CRA 10 cents to A$6.06 and CSR 6 cents to A$2.85, while the golds to improve included Placer Development, up 30 cents to A$25.80, and Central Norseman, 10 cents higher at A$6.60.

Situation stocks added interest to the industrial sector. A turnover of 30.2m Repco shares, representing 14 per cent of the capital, stirred takeover talk. The parcel changed hands at between A$1.25 and A$1.30 and the stock closed 1 cent lower at A$1.25.

Arnotts rose 12 cents to A$4.42 in the wake of Bond Corporation's announcement that it is lifting its offer to A$4.35 a share if more than 50 per cent is gained and A$4.50 if it obtains 90 per cent of the shares.

A firm trend failed to emerge in the sector as a whole and most issues drifted in weak demand.

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 23½ | 16⅛ | AAR | .48 | 2.6 | 14 | 113 | 19 | 18½ | 18½ | −¼ |
| 21¼ | 9⅝ | AGS | | | 9 | 153 | 13¼ | 12⅛ | 12⅛ | −1⅛ |
| 18⅛ | 10⅞ | AMCA | | | | 27 | 11 | d10¾ | 11 | +⅛ |
| 17⅞ | 13⅜ | AMF | .50 | 2.9 | 38 | 598 | 17¼ | 16⅞ | 17 | −¼ |
| 43¼ | 24¼ | AMR | | | 9 | 7219 | 41¼ | 40¼ | 41 | +¾ |
| 20½ | 18⅝ | AMR | pf2.18 | 11. | | 20 | 20½ | 20⅜ | 20½ | +⅛ |
| 25⅞ | 22⅞ | ANR | pf 2.67 | 11. | | 32 | 24¾ | 24¼ | 24¼ | −⅝ |
| 14¼ | 8½ | APL | | | 40 | 45 | 9⅜ | 9⅛ | 9¼ | −⅛ |
| 67¼ | 44⅜ | ASA | 2 | 3.8 | | 557 | 53¾ | 53 | 53⅛ | |
| 27 | 16 | AVX | .32 | 1.8 | 11 | 198 | 17⅞ | 17½ | 17¾ | +¼ |
| 52⅞ | 36¾ | AbtLab | 1.40 | 2.7 | 16 | 2522 | 52¾ | 52¼ | 52¼ | −⅜ |
| 25⅞ | 16½ | AccoWks | .44 | 1.9 | 18 | 68 | 22¾ | 22⅝ | 22¾ | +¼ |
| 22 | 12½ | AcmeC | .40 | 2.7 | | 358 | 14⅞ | 14⅝ | 14⅞ | +½ |
| 10¾ | 8¼ | AcmeE | .32b | 3.4 | 11 | 10 | 9⅜ | 9¼ | 9⅜ | +⅛ |
| 17⅜ | 15 | AdaEx | 2.11e | 13. | | 59 | 16⅝ | 16½ | 16½ | |
| 20 | 11⅞ | AdmMl | .32 | 1.8 | 7 | 164 | 18⅝ | 18 | 18⅛ | +⅜ |
| 19½ | 8⅝ | AdvSys | .81t | 7.4 | 18 | 77 | 11 | 10⅝ | 11 | +¼ |
| 41⅛ | 25⅛ | AMD | | | 14 | 5291 | 33½ | 32¾ | 33 | +⅜ |
| 12¾ | 6⅞ | Advest | .12 | 1.3 | | 103 | 9¾ | 9½ | 9½ | |
| 14⅝ | 8¾ | Aeriflex | | | 11 | 51 | 11⅞ | 11¾ | 11¾ | −⅛ |
| 42⅝ | 27¼ | AetnLf | 2.64 | 6.5 | 39 | 1129 | 41 | 40⅝ | 40¾ | +⅛ |
| 58¾ | 52⅜ | AetL | pf5.83e | 11. | | 184 | 54⅝ | 54⅜ | 54⅝ | |
| 32⅝ | 15¾ | Ahmns | 1.20 | 3.7 | 18 | 1200 | u32¾ | 32½ | 32½ | |
| 4½ | 2½ | Aileen | | | 21 | 73 | 2¾ | 2⅝ | 2¾ | +⅛ |
| 51 | 38⅝ | AirPrd | 1.20 | 2.5 | 11 | 210 | 48½ | 48¼ | 48⅜ | |
| 24⅜ | 13 | AirbFrt | .60 | 2.8 | 11 | 154 | 21⅛ | 20¾ | 20¾ | −¼ |
| 2 | 1 | AlMoa | s | | 23 | 54 | 1⅝ | 1½ | 1⅝ | +⅛ |
| 32 | 28¾ | AlaP | pfA3.92 | 13. | | 4 | 30½ | 30½ | 30½ | |
| 7½ | 6 | AlaP | dpl.87 | 12. | | 34 | 7¼ | 7⅛ | 7⅛ | −⅛ |
| 73½ | 61½ | AlaP | pf 9 | 13. | | z30 | 72 | 72 | 72 | −1¼ |
| 102 | 85¼ | AlaP | pf 11 | 11. | | z40 | 99½ | 99½ | 99½ | −½ |

Continued on Page 35

# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 61 | 45¾ | Wrigly | 1.80a | 3.0 | 11 | 108 | 61¼ | 59⅞ | 60¾ | +1⅜ |
| 6⅜ | 3⅞ | Wurltzr | | | | 11 | 4 | 3⅞ | 3⅞ | −⅛ |
| 18 | 10¾ | WyleLb | .32 | 2.6 | 10 | 174 | 12½ | 12⅜ | 12⅜ | +⅛ |
| 23⅜ | 16¾ | Wynns | .60 | 2.8 | 8 | 221 | 21¼ | 21⅛ | 21⅛ | −⅛ |
| | | **X Y Z** | | | | | | | | |
| 46¼ | 33¼ | Xerox | 3 | 7.0 | 17 | 1406 | 43⅜ | 42⅞ | 43 | −⅛ |
| 51⅜ | 45¼ | Xerox pf5.45 | | 11. | | 552 | 50¼ | 50 | 50⅛ | +⅛ |
| 30 | 24 | ZaleCp | 1.32 | 4.8 | 8 | 18 | 27¾ | 27⅝ | 27⅝ | −⅛ |
| 24⅞ | 13⅜ | Zapata | .84 | 5.9 | 17 | 497 | 14⅛ | 13¾ | 14⅛ | +½ |
| 58 | 30 | Zayre | .40b | .7 | 14 | 135 | 56¼ | 55¾ | 56 | +⅝ |
| 31¼ | 18⅛ | ZenithE | | | 8 | 1861 | 22⅜ | 21¼ | 21⅞ | +⅜ |
| 21⅞ | 14⅜ | Zero | .5 | | 18 | 168 | 19½ | 19¼ | 19¼ | −¼ |
| 31⅜ | 21⅛ | Zurnin | 1.32 | 4.6 | 10 | 108 | 28¾ | 28⅝ | 28⅝ | +⅛ |

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

# WORLD STOCK MARKETS

## AUSTRIA

| Mar. 28 | Price Schs | + or — |
|---|---|---|
| Creditanstalt | 248 | +2 |
| Goesse | 430 | +2 |
| Interunfall | 528 | +8 |
| Laenderbank | 244 | +2 |
| Perlmooser | 402 | +1 |
| Steyr-Daimler | 167 | +1 |
| Veitscher Mag | 397 | ... |

## BELGIUM/LUXEMBOURG

| March 28 | Price Frs. | + or — |
|---|---|---|
| B.B.L. | 1,920 | +10 |
| Banq. Int. A. Lux | 6,150 | ... |
| Bekaert B. | 5,940 | +10 |
| Ciment CBR | 2,555 | —30 |
| Cockerill | 266 | +3 |
| Delhaize | 6,800 | ... |
| EBES | 3,090 | +10 |
| Electrobel | 8,670 | ... |
| Fabrique Nat | 2,000 | +85 |
| GB Inno BM | 3,205 | —95 |
| GBL (Brux) | 1,955 | —25 |
| Gevaert | 3,900 | ... |
| Hoboken | 6,780 | +20 |
| Intercom | 2,205 | +20 |
| Kredietbank | 8,200 | —190 |
| Pan Hldgs. | 11,200 | ... |
| Petrofina | 6,770 | +10 |
| Royale Belge | 11,100 | —100 |
| Soc. Gen. Banq | 3,400 | —5 |
| Soc. Gen. Belge | 1,980 | —20 |
| Sofina | 7,560 | —40 |
| Solvay | 4,400 | —30 |
| Stanwick Intl. | 1,650 | ... |
| Tractionel | 4,125 | +20 |
| UCB | 5,250 | +90 |
| Wagon Lits | 2,650 | +20 |

## DENMARK

| Mar. 28 | Price Kr. | + or — |
|---|---|---|
| Andelsbanken | 282 | ... |
| Baltic Skand | 645 | +5 |
| CopHandelsbank | 279 | +3 |
| D. Sukkerfab | 540 | ... |
| Danske Bank | 271 | ... |
| De Danske Luft. | 1,200 | —45 |
| East Asiatic | 172 | —5 |
| Forenede Brygg. | 895 | ... |
| Forenede Damp. | 110 | +4 |
| GNT Hldg | 411 | —5 |
| I.S.S.B. | 415 | +10 |
| Jyske Band | 560 | +5 |
| Novo Ind | 1,600 | —40 |
| Privatbanken | 243 | —3 |
| Provinsbanken | 330 | +6 |
| Smidth (F.) | 231 | —6 |
| Sophus Berend | 1,010 | —5 |
| Superfos | 476 | 4 |

## FRANCE

| March 28 | Price Frs. | + or — |
|---|---|---|
| Emprunt 4½% 1975 | 1761 | +8 |
| Emprunt 7% 1975 | 8350 | —475.9 |
| Accor | 287 | +4.1 |
| Air Liquid | 640 | +2 |
| BIC | 531 | —2 |
| Bongrain | 1,890 | —50 |
| Bouygues | 621 | +8 |
| BSN Gervais | 2,345 | —25 |
| CIT-Alcatel | 1,360 | —15 |
| Carrefour | 2,000 | +10 |
| Club Mediter'n | 1,195 | ... |
| Cie Bancaire | 614 | +5 |
| Cofimeg | 275.5 | ... |
| Damart | 2,105 | ... |
| Darty | 1,288 | +68 |
| Dumex S.A. | 615 | +35 |
| Eaux (Cie Gen.) | 659 | +42 |
| Elf-Aquitane | 235.5 | —0.2 |
| Essilor | 3,060 | —20 |
| Gen. Occidentale | 715 | —5 |
| Imetal | 111 | —1 |
| Lafarge Coppee | 479 | —4 |
| L'Oreal | 2,492 | +12 |
| Legrand | 2,060 | —60 |
| Maisons Phenix | 230 | —5 |
| Matra S.A. | 1,870 | —20 |
| Michelin B | 935 | —1 |
| Midi (Cie) | 2,218 | +6 |
| Moet-Hennessy | 1,891 | —39 |
| Moulinex | 109 | —0.6 |
| Nord Est. | 90 | ... |
| Pernod Ricard | 703 | —26 |
| Perrier | 517 | —6 |
| Petroles Fra. | 266 | —2.5 |
| Peugeot S.A. | 285 | —5 |
| Printempt.Aus | 225 | —0.5 |
| Radiotech | 275.1 | —0.2 |
| Redoute | 1,290 | —1 |
| Roussel Uclaf | 1,723 | ... |
| Sefimeg | 324 | ... |
| SkisRossignol | 1,880 | —15 |
| Telemech.Elect. | 2,536 | —19 |
| Thomson CSF | 533 | —17 |
| Valeo | 227 | —3 |

## GERMANY

| Mar. 28 | Price Dm. | + or — |
|---|---|---|
| AEG-Telef | 107.8 | —0.2 |
| Allianz Vers | 1038xr | +3 |
| BASF | 197.4 | ... |
| Bayer | 207.5 | —0.1 |
| Bayer-Hypo | 337.5 | +7.5 |
| Bayer-Verein | 328 | +2 |
| BHF-Bank | 263 | +1 |
| BMW | 380 | +1.5 |
| Brown Boveri | 213.8 | ... |
| Commerzbank | 164.8 | —0.2 |
| Cont'l. Gummi | 134.4 | +1.7 |
| Daimler-Benz | 661 | —4.5 |
| Degussa | 358.1 | —2.1 |
| D'sche Babcock | 161 | ... |
| Deutsche Bank | 432.2 | —4.3 |
| Dresdner Bank | 187.1xr | +2.1 |
| GHH | 154.5 | —1 |
| Hochtief | 472 | ... |
| Hoechst | 201.4 | —1.3 |
| Hoesch Werke | 107 | +0.4 |
| Holzmann (P) | 393 | +4 |
| Horten | 165 | —2 |
| Hussel | 295 | —6.9 |
| Karstadt | 211.3 | —0.3 |
| Kaufhof | 218 | —2 |
| KHD | 249.5xr | —1.5 |
| Kloeckner | 69.5 | —0.7 |
| Linde | 411 | —3.5 |
| Lufthansa | 191.5 | —0.5 |
| MAN | 150.5 | —2.5 |
| Mannesmann | 160.5 | +1.4 |
| Mercedes Hld. | 585 | —0.5 |
| Metallgesel | 249.5 | —2.5 |
| Munech Rueck | 1160 | —25 |
| Nixdorf | 542.5 | —0.5 |
| Porsche | 1174.5xd | —0.5 |
| Preussag | 274 | +3.5 |
| Rhein West Elect | 154.5 | +1.2 |
| Rosenthal | 244 | +6 |
| Schering | 447.5 | —1 |
| Siemens | 526xd | —0.5 |
| Thyssen | 98.7 | +0.7 |
| Varta | 178 | —4.5 |
| Veba | 178.5 | +0.8 |
| V.E.W. | 122.2 | ... |
| Verein-West | 316 | ... |
| Volkswagen | 200.5 | +2.5 |

## ITALY

| Mar. 28 | Price Lira | + or — |
|---|---|---|
| Banco Com'le. | 16,000 | —400 |
| Bastogi-IRBS | 208 | —4.2 |
| B.I.invest | 3,449 | —1 |
| Centrale | 3,630 | —71 |
| Credito Varesino | 4,060 | —39 |
| Fiat | 2,935 | —50 |
| Finsider | 53.5 | —1.3 |
| Generali Assicur. | 42,610 | —980 |
| Italcementi | 61,710 | —890 |
| La Rinascenti | 662.5 | —4.5 |
| Montedison | 1,500 | .. |
| Olivetti | 6,331 | —198 |
| Pirelli Co | 4,276 | —16 |
| Pirelli Spa | 2,180 | —11 |
| Snia BPD | 2,826 | +13 |
| Toro Assic. | 14,380 | —200 |
| do Pref | 10,570 | —190 |

## NETHERLANDS

| Mar. 28 | Price Fls | + or — |
|---|---|---|
| ACF Holding | 197 | —0.5 |
| AEGON | 186.5 | +1 |
| Ahold | 215 | —0.3 |
| AKZO | 110.5 | +0.7 |
| ABN | 404 | —1 |
| AMEV | 216.6 | +0.1 |
| AMRO | 74.3 | —0.9 |
| Bredero Cert | 146 | —3 |
| Bos Kalis Westm. | 20.5 | ... |
| Buehrmann-Tet. | 88 | +0.8 |
| Calland Hldgs. | 35 | —0.5 |
| Dordtsche Pet'm | 177 | —0.5 |
| Elsevier NDU | 114.5 | —3 |
| Fokker | 104.4 | +0.4 |
| Gist Broades | 185.2 | +0.7 |
| Heineken | 156.2 | —0.6 |
| Hoogovens | 58.5 | —0.3 |
| Int Mueller | 51.3 | —0.3 |
| KLM | 59.6 | +0.5 |
| Naarden | 47.5 | —0.2 |
| Nat Ned Celt | 270.1 | ... |
| Ned M'd Bank | 173.2 | —0.8 |
| Nedlloyd | 186 | +2.5 |
| Oce Grinten | 313 | +1 |
| Ommeren (Van) | 31.6 | +1.5 |
| Pakhoed | 72.2 | —1.8 |
| Philips | 59.5 | —1.3 |
| Robeco | 74.6 | —0.3 |
| Rodamco | 138.2 | —0.5 |
| Rolinco | 67.2 | —0.4 |
| Rorento | 43.6 | —0.4 |
| Royal Dutch | 197.7 | +0.2 |
| Unilever | 340.5 | —0.5 |
| VMF Stork | 150 | +1.4 |
| VNU | 210 | —1.3 |
| West Utr Bank | 103.5 | —2.5 |

## NORWAY

| Mar. 28 | Price Kroner | + or — |
|---|---|---|
| Bergens Bank | 143 | ... |
| Borregaard | 362.5 | —2.5 |
| Christiania Bank | 141 | ... |
| DenNorske Cred | 147 | —1 |
| Elkem | 138 | +4 |
| Kvaerner | 162 | —1 |
| Norsk Data | 385 | —5 |
| Norsk Hydro | 103.5 | ... |
| Storebrand | 237 | —3 |

## SPAIN

| Mar. 28 | Price Pta % | + or — |
|---|---|---|
| Bco Bilbao | 335 | —2 |
| Bco Central | 314 | ... |
| Bco Exterior | 204 | —1 |
| Bco Hispano | 158 | ... |
| Bco Popular | 368 | —7 |
| Bco Santander | 355 | ... |
| Dragados | 172 | —2 |
| Hidrola | 84.5 | —0.5 |
| Iberduero | 95.5 | —1 |
| Petroleos | 145.5 | —1.7 |
| Telefonica | 126 | +1.3 |

## SWEDEN

| Mar. 28 | Price Kronor | + or — |
|---|---|---|
| AGA | 385 | ... |
| Alfa-Laval | 189 | ... |
| ASEA (Free) | 317 | ... |
| Astra (Free) | 375 | ... |
| Atlas Copco | 105 | ... |
| Cardo (Free) | 250 | . |
| Cellulosa | 117 | . |
| Electrolux B | 320 | . |
| Ericsson | 293 | ... |
| Esselte | 365 | . |
| Mo och Domsjo | 224 | . |
| Pharmacia | 203 | . |
| Saab Scania Free | 430 | . |
| Sandvik | 380 | . |
| Skandia | 312 | . |
| Skan Enskilda | 47.5 | . |
| SKF | 206 | . |
| St Kopparbergs | 132 | . |
| Sven Handlesbn. | 161 | . |
| Swedish Match | 220 | . |
| Volvo B (Free) | 280 | . |

## SWITZERLAND

| Mar. 28 | Price Frs. | + or — |
|---|---|---|
| Alusuisse | 853 | —10 |
| Bank Leu | 3,570 | —30 |
| Brown Boveri | 1,635 | —10 |
| Ciba Geigy | 2,830 | —10 |
| do. (Part Certs) | 2,350 | —75 |
| Credit Suisse | 2,420 | ... |
| Elektrowatt | 2,885 | —15 |
| Fisher (Geo.) | 740 | —10 |
| Hoff Roche PtCts | 86,875 | —850 |
| Hoff-Roche 1/10 | 8,725 | —50 |
| Jacobs Suchard | 6,350 | —50 |
| Jelmoli | 1,940 | ... |
| Landis & Gyr | 1,690 | ... |
| Nestle | 6,350 | —120 |
| Oer-Buehrle | 1,480 | —50 |
| Pirelli | 295 | —2 |
| Sandoz (Br) | 7,600 | —125 |
| Sandoz (PtCts) | 1,320 | —15 |
| Schindler (PtCts) | 775 | —16 |
| Sika | 1,080 | ... |
| Surveillance | 4,170 | —40 |
| Swissair | 1,135 | —13 |
| Swiss Bank | 372 | —2 |
| Swiss Reinsce | 9,700 | —50 |
| Swiss Volksbk. | 1,420 | —5 |
| Union Bank | 3,680 | —5 |
| Winterthur | 3,740 | ... |
| Zurich Ins. | 20,850 | —300 |

## AUSTRALIA

| Mar. 28 | Price Aust $ | + or — |
|---|---|---|
| ANZ Group | 4.52 | —0.02 |
| Alliance Oil Dev. | 1.05 | —0.05 |
| Ampol Pet | 1.88 | ... |
| Ashton | 0.95 | +0.03 |
| Aust. Cons. Ind | 2.02 | ... |
| Aust. Guarantee | 2.45 | +0.05 |
| Aust. Nat. Inds | 3 | +0.1 |
| Aust. Paper | 2.53 | —0.02 |
| Bell Group | 6.7 | +0.06 |
| Bell Res. | 6.40 | ... |
| Bond Corp Hldgs | 1.53 | —0.02 |
| Boral | 3.27 | +0.01 |
| Bougainville | 2.12 | —0.05 |
| Brambles Inds | 3.9 | +0.05 |
| Bridge Oil | 2.35 | —0.05 |
| B.H. Prop | 6. | —0.02 |
| CRA | 6.06 | —0.1 |
| CSR | 2.85 | —0.06 |
| CastlemaineTys. | 4.9 | +0.1 |
| Coles (G.J.) | 3.7 | —0.08 |
| Comalco "A" | 2.75 | +0.05 |
| Consolidated Pet | 0.48 | ... |
| Costain Aust. | 1.60 | ... |
| Dunlop Olympic | 2.08 | ... |
| Elders IXL | 3.16 | —0.02 |
| Energ Res. | 1.42 | ... |

## AUSTRALIA (continued)

| Mar. 28 | Price Aust. $ | + or — |
|---|---|---|
| Gen. Prop. Trust | 2.14 | ... |
| Hardie (James) | 3.05 | ... |
| Hartogen Energy | 2.4 | ... |
| Herald W'yTimes | 4.10 | ... |
| ICI Aust. | 1.92 | ... |
| Jimberlana F.P. | 0.32 | ... |
| Kia Ora Gold | 0.17 | +0.02 |
| Lend Lease | 5.8 | —0.06 |
| MIM | 3.05 | —0.05 |
| Mayne Nickless | 4.22 | ... |
| Myer Emporium | 1.83 | +0.01 |
| Nat. Aust. Bank | 3.47 | +0.02 |
| News | 13.8 | ... |
| Nicholas Kiwi | 2.0 | ... |
| North Bkn Hill | 2.45 | —0.01 |
| Oakbridge | 0.79 | ... |
| Pancont'l | 1.45 | +0.04 |
| Pioneer Conc. | 1.64 | +0.01 |
| Poseidon | 3.72 | +0.12 |
| Queensland Coal | 1.45 | ... |
| Reckitt & Coln. | 3.35 | +0.1 |
| Repco | 1.25 | —0.01 |
| Santos | 6.16 | +0.02 |
| Smith (Howard) | 4 | +0.02 |
| Thos. Natwide | 1.8 | —0.02 |
| Tooth | 5.8 | ... |
| Vamgas | 3.70 | ... |
| Western Mining | 4.02 | —0.04 |
| Westpac Bank | 3.46 | —0.01 |
| Woodside Petrol | 0.98 | +0.04 |
| Woolworths | 3.18 | —0.02 |
| Wormald Intl. | 3.65 | —0.05 |

## HONG KONG

| Mar. 28 | Price H.K.$ | + or — |
|---|---|---|
| Bank East Asia | 22.4 | ... |
| Cheung Kong | 13.6 | ... |
| China Light | 14.4 | +0.3 |
| Evergo | 1.15 | +0.08 |
| Hang Seng Bank | 47 | +0.5 |
| HK Electric | 7.15 | ... |
| HK Kowloon Wh. | 6.4 | +0.05 |
| HK Land | 4.77 | —0.08 |
| HK Shanghai Bk. | 8.4 | +0.05 |
| HK Telephone | 70 | —1 |
| Hutchinson Wpa | 19.9 | ... |
| Jardine Math | 9.0 | ... |
| New World Dev. | 6 | ... |
| Orient O'seas | 2.3 | —0.05 |
| Oseas Trust Bk | 2.77 | +0.17 |
| SHK Props | 9 | +0.15 |
| Shell Elect. | 1.62 | ... |
| Swire Pac A | 23.1 | —0.1 |
| TV—B | 6 | +0.1 |
| Wheel'k Mard A. | 7.2 | ... |
| Wheel'k M'time | 1.10 | ... |
| World Int. Hldns. | 1.74 | —0.04 |

## JAPAN

| Mar. 28 | Price Yen | + or — |
|---|---|---|
| Ajinomoto | 1,090 | —10 |
| Alps Electric | 1840xc | —30 |
| Amada | 1100xc | ... |
| Asahi Chem | 677xc | +2 |
| Asahi Glass | 910 | —2 |
| Bridgestone | 540 | +10 |
| Canon | 1,370 | —20 |
| Casio Comp. | 1,700 | —30 |
| Chugai Pharm. | 1,060 | +30 |
| Citizen | 540 | —5 |
| Daiei | 608 | —7 |
| Dai Nippon Ptg | 1,050 | +10 |
| Daiwa House | 565 | —6 |
| Ebara | 436 | +16 |
| Eisai | 1,770 | —30 |
| Fanuc | 8950xc | ... |
| Fuji Bank | 1,610 | —50 |
| Fuji Film | 1,730 | —10 |
| Fujisawa | 1,130 | —30 |
| Fujitsu | 1160xc | —10 |
| Green Cross | 3,310 | —50 |
| Hasegawa | 378 | +5 |
| Heiwa Real Est | 839 | +56 |
| Hitachi | 849 | —11 |
| Hitachi Credit | 1,080 | ... |
| Honda | 1,420 | ... |
| House Food | 690 | +7 |
| Hoya | 2,260 | +50 |
| Itoh (C) | 359 | —6 |
| Ito. Yokado | 2,620 | +50 |
| Iwatsu | 1,070 | +20 |
| JACCS | 330 | +10 |
| JAL | 6,400 | ... |
| Jusco | 675 | +14 |
| Kajima | 273 | +1 |
| Kao Soap | 779xc | +3 |
| Kashiyama | 590 | ... |
| Kirin | 615 | +20 |
| Kokuyo | 880 | . |
| Komatsu | 470 | —2 |
| Konishiroku | 705 | +24 |
| Kubota | 327 | +2 |
| Kumagai | 607 | —2 |
| Kyoto Ceramic | 5,850 | ... |
| Maeda Const | 490 | +2 |
| Makino Milling | 1,290 | +20 |
| Makita | 1,030 | —10 |
| Marubeni | 310 | —10 |
| Marudai | 560 | ... |
| Marui | 1,010 | ... |
| MEI | 1,590 | ... |
| M'ta Elec Works | 775 | —10 |
| M'bishi Bank | 1,610 | ... |
| M'bishi | 548 | —6 |
| M'bishi Elect. | 396 | —4 |
| M'bshi Estate | 644 | —5 |

## JAPAN (continued)

| Mar. 28 | Price Yen | + or — |
|---|---|---|
| MHI | 275 | —1 |
| Mitsui | 343 | —12 |
| Mitsui Estate | 673xc | +1 |
| Mitsukoshi | 424 | —2 |
| NGK Insulators | 900xc | —5 |
| Nihon Cement | 238 | —2 |
| Nippon Denso | 1,410 | —40 |
| Nippon Elect | 1,110 | —10 |
| Nippon Express | 377 | —5 |
| Nippon Gakki | 1,850 | —70 |
| Nippon Kokan | 137 | ... |
| Nippon Oil | 907xc | +17 |
| Nippon Seiko | 673 | +45 |
| Nippon Shimpan | 652 | —18 |
| Nippon Steel | 157 | +3 |
| Nippon Suisan | 339 | +1 |
| NTV | 10500xc | +500 |
| Nippon Yusen | 240xc | —2 |
| Nissan Motor | 659 | —4 |
| Nisshin Flour | 520 | +50 |
| Nisshin Steel | 175 | ... |
| Nomura | 1,250 | —50 |
| Olympus | 1,180 | ... |
| Orient Leasing | 3,100 | +100 |
| Pioneer | 2,650 | —20 |
| Renown | 639 | —5 |
| Ricoh | 897 | +2 |
| Sankyo | 1,250 | —10 |
| Sanyo Elect. | 471 | ... |
| Sapporo | 440 | +10 |
| Sekisui Prefab | 574 | +9 |
| Seven-Eleven | 8,900 | +100 |
| Sharp | 992 | —8 |
| Shimadzu | 715xc | +6 |
| Shionogi | 696xc | +5 |
| Shiseido | 1,070 | ... |
| Sony | 4,460 | —90 |
| Stanley | 996 | +11 |
| S'tomo Bank | 1,770 | —60 |
| S'tomo Elect | 896 | +1 |
| S'tomo Marine | 672 | +6 |
| S'tomo Metal | 155 | —2 |
| Taihei Dengyo | 491 | +1 |
| Taisei Corp. | 211 | +8 |
| Taisho Pharm | 1,220 | +50 |
| Takeda | 860 | —10 |
| TDK | 5,690 | —60 |
| Teijin | 451 | +1 |
| Teikoku | 656 | +15 |
| Tokyo Marine | 908 | —4 |
| TBS | 781 | +5 |
| Tokyo Elect Pwr | 1,750 | +20 |
| Tokyo Gas | 181 | +9 |
| Tokyo Sanyo | 696 | —1 |
| Tokyo Style | 685 | —3 |
| Tokyu Corp | 339 | —3 |
| Toppan Print | 858 | —2 |
| Toray | 461 | +5 |
| Toshiba Elect. | 411 | —1 |
| TOTO | 652 | —4 |
| Toyo Seikan | 910 | +10 |
| Toyota Motor | 1,290 | —10 |
| Victor | 2,200 | —30 |
| Wacoal | 705 | —2 |
| Yamaha | 770 | +14 |
| Yamanouchi | 3,830 | —80 |
| Yamazaki | 665 | +20 |
| Yasuda Fire | 518 | +14 |
| Yokogawa Bdge. | 412 | ... |

## SINGAPORE

| Mar. 21 | Price $ | + or — |
|---|---|---|
| Boustead Hldgs. | 1.68 | —0.02 |
| Cold Storage | 2.61 | —0.01 |
| DBS | 6.2 | +0.1 |
| Genting | 5.6 | ... |
| Haw Par. Bros. | 2.35 | +0.01 |
| Hong Leong Fin. | 2.96 | —0.08 |
| Inchcape Bhd. | 2.44 | ... |
| Keppel Shipyard | 1.74 | +0.01 |
| Malay Banking | 6.00 | +0.1 |
| Malay Utd. Ind. | 2.43 | +0.12 |
| Multi Purpose | 0.90 | —0.01 |
| OCBC | 9.3 | +0.05 |
| OUB | 3.8 | +0.04 |
| Public Bank | 1.6 | —0.03 |
| Sime Darby | 1.95 | —0.01 |
| Singapore Press | 6.15 | —0.1 |
| Straits Trdg. | 4.32 | ... |
| Tat Lee Bk | 2.8 | ... |
| UOB | 4.52 | +0.02 |

## SOUTH AFRICA

| Mar. 28 | Price Rand | + or — |
|---|---|---|
| Abercom | 1.35 | +0.03 |
| AE&CI | 7.3 | ... |
| Allied Tech | 52 | +2 |
| Anglo Am Coal | 38.5 | —0.5 |
| Anglo Am Corp | 24.65 | +0.15 |
| Anglo Am Gold | 167 | —1.5 |
| Barclays Bank | 13.65 | —0.1 |
| Barlow Rand | 10.45 | —0.05 |
| Buffels | 80.00 | —0.75 |
| CNA Gallo | 2.4 | —0.03 |
| Currie Finance | 3.50 | ... |
| De Beers | 10.03 | —0.33 |
| Driefontein | 53.5 | —0.75 |
| FS Geduld | 53.5 | +0.5 |
| Gold Fields SA | 31.5 | +0.3 |
| Highveld Steel | 5.95 | ... |
| Nedbank | 9.35 | —0.3 |
| OK Bazaars | 13.00 | +0.25 |
| Protea Hldgs. | 1.3 | ... |
| Rembrandt | 33.25 | —0.25 |
| Rust Plat | 17.8 | —0.3 |
| Safren | 14 | +0.1 |
| Sage Hldgs. | 6.85 | ... |
| SA Brews | 5.4 | +0.1 |
| Smith (AG) | 21 | ... |
| Tongaat Hulett | 5.8 | +0.05 |
| Unisec | 4.8 | ... |

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

## OVER-THE-COUNTER

*Nasdaq national market, closing prices*

| Stock | Sales (Hhds) | High | Low | Last | Chng |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## LONDON

**Chief price changes**
(in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Ex 11 89 | £97⅝ | + £⅝ |
| Ex 12 13/17 | £119¼ | + £⅝ |
| Apex Prop | 122 | + 17 |
| Bejam | 171 | + 7 |
| Bridon | 140 | + 7 |
| British Syphon | 141 | + 13 |
| Central TV | 195 | + 8 |
| Desoutter Bros | 190 | + 18 |
| Energy Serv | 84 | + 14 |
| Equipu | 220 | + 20 |
| Glynwed Intl | 208 | + 6 |
| Kkde Intl | 193 | + 8 |
| Ladbroke | 254 | + 6 |
| Lucas Inds | 283 | + 18 |
| Matthews (B) | 312 | + 9 |
| Reardon Smith A | 18 | + 5 |
| TI | 244 | + 18 |
| Woolworth | 747 | + 62 |

**FALLS**

| | | |
|---|---|---|
| Birmid Qual | 80 | — 5 |
| French Connect | 295 | — 65 |
| Gee (Cecil) | 150 | — 20 |
| Legal & General | 695 | — 18 |
| Minorco | 680 | — 20 |
| Reed Intl | 560 | — 20 |
| Stock Conver | 460 | — 10 |
| Thorn EMI | 396 | — 6 |
| Tricentrol | 223 | — 7 |

## CANADA

### TORONTO

*Closing prices March 28*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| 1190 | Abti Prce | $55¾ | 55¼ | 55¼ | + ¼ |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4130 | Canron A | $11 | 10¾ | [illegible] | [illegible] |
| 1200 | Crownx | $17½ | 17½ | [illegible] | [illegible] |
| 88300 | Czar Res | 170 | 164 | [illegible] | [illegible] |
| 71648 | Dson Dev | 445 | 420 | [illegible] | [illegible] |
| 1100 | Dson A | 425 | 420 | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | Kam Kotia | 117 | 117 | 117 | — 6 |
| [illegible] | Kerr Add | $16⅛ | 16 | 16⅛ | |
| [illegible] | Kabatt | $23¼ | 23 | 23 | |
| [illegible] | Lac Mnrls | $32½ | 31 | 31¾ | + ¾ |
| [illegible] | LOnt Cem | $11⅞ | 11¾ | 11¾ | + ⅛ |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7000 | Southm | $58¼ | 58 | 58 | — ¼ |
| 750 | St Brodcst | $12¼ | 12¼ | 12¼ | |
| 25922 | Stelco A | $20⅜ | 20 | 20 | — ½ |
| 28000 | Sulpetro | 330 | 310 | 325 | + 10 |
| 50 | Steep R | 270 | 270 | 270 | + 5 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### MONTREAL

*Closing prices March 28*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close | Chng | Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Continued on Page 44

# LONDON STOCK EXCHANGE

**MARKET REPORT**

# Base rate cuts halt rise in sterling and bring Gilts back from higher levels

*Account Dealing Dates*
Option

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Mar 11 | Mar 21 | Mar 22 | Apr 1 |
| Mar 25 | Apr 11 | Apr 12 | Apr 22 |
| Apr 15 | Apr 25 | Apr 26 | May 7 |

* " New-time " dealings may take place from 9.30 am two business days earlier.

Sooner than expected reductions in UK base lending rates caused sterling to lose upward momentum and brought Government bonds back from higher mid-session levels on the London Stock Exchange yesterday. The pound initially resumed its rise against the dollar to touch $1.2475 but late-morning news that a clearing bank had cut borrowing charges by ½ percentage point to 13 per cent brought a sudden change of direction.

Foreign exchange markets encountered a large volume of overseas profit-taking, which lowered the rate to $1.2060, and before long the Gilt-edged sector ran into selling of a similar nature.

The overseas offerings eventually petered out but market confidence had by then been dented and gilts were reluctant to respond to sterling's late trend; the rate closed only 1 cent down at $1.2280. Few Gilt-edged stocks showed final gains of more than ½ and after-hours the market was rather cautious. Dealers spent most of their time adjusting quotes in unison with the movement in the exchange rate.

Equity interest was again highly specialised and confined to companies reporting trading statements. Good corporate results stimulated both Lucas Industries and Woolworth but other leading stocks attracted precious little support and drifted easier. Numerous secondary issues also benefited from another flood of news items; this week's schedule has been one of the heaviest on record.

The current Wall Street trend—the Dow Jones index moved higher again early yesterday—made scant impression on equity market sentiment. Illustrating the continuing post-Budget apathy in most blue chip industrials, the FT Ordinary share index settled 1.2 off at 978.1, after showing a fall of 2.5 at the first calculation of the day.

## Legal & General down

Annual pre-tax profits from Legal and General some £10m below expectations interrupted the recent spate of impressive results reported by Life Insurance companies. Consequently, the shares fell to 690p before closing 10 lower on balance at 695p. *Others eased in sympathy* and Sun Life ended 10 off at 830p and Pearl ¼ easier at £11¼. Prudential, which announced better-than-expected results on Wednesday, cheapened 5 to 610p. Elsewhere, vague suggestions that the proposed merger with Alexander and Alexander Services of the U.S. was in jeopardy unsettled Reed Stenhouse which dropped to around £12 before recovering late to finish a fraction harder on balance at £13¼; A and A closed unaltered at £25¾.

Among recently - issued equities, estate agents Mann and Co firmed 4 to 160p on news that TR Industrial and General Trust had increased its stake to 5 per cent.

A lacklustre session in *Breweries was enlivened after-hours following increased terms for Matthew Brown from Scottish* and Newcastle. The latter, spurred into action by Wednesday's disclosure that Whitbread Investment held just under 9 per cent of the Blackburn based concern, purchased 1 711m shares in Brown at 440p per share and subsequently added a cash element to its original share-exchange offer. Scottish dipped 4 to 125p, while Brown, expected to issue a rejection of the revised bid, touched 440p before closing 7 up on balance at 435p. Elsewhere, Arthur Bell remained friendless in the wake of the disappointing mid-term statement and fell 5 for a three-day decline of 22 to 138p.

Business expanded in the Building sector, but price movements were usually limited to a couple of pence in either direction. Costain, however, were an exception, rising 8 to 348p on persistent small buying. Higgs and Hill gained 9 to 310p for the same reason, but C. H. Pearce lost 50 to 750p following the half-year profits standstill and cautious statement.

Currency influences continued to affect ICI which, after opening lower at 768p, eased further to 765p before picking up to close just a couple of pence cheaper on balance at 773p. Among *other Chemicals*, Croda International rallied 5 to 138p on second-thoughts about the annual results, while a reappraisal of the recently-announced preliminary figures helped William Canning improve 5 to 101p. Floor coverings concern James Halstead gained 4 to 94p, after 97p, in reply to good half-year profits.

Foods attracted selective interest. Bejam gained 7 to 171p on talk of a broker's circular, while Iceland Frozen Foods, still reflecting the excellent annual results, moved up 13 to 453p. Elsewhere, Bernard Matthews rose 9 to 312p following satisfactory annual results and a cheerful statement on current trading, but Squirrel Horn shed 1½ to 26½p after revealing poor premilinary figures.

The Hotel sector was highlighted by Ladbroke which rose 6 to 254p in reply to a good annual statement.

## FINANCIAL TIMES STOCK INDICES

| | Mar. 28 | Mar. 27 | Mar. 26 | Mar. 25 | Mar. 22 | Mar. 21 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 81.10 | 81.06 | 80.78 | 80.74 | 80.76 | 80.83 | 83.25 |
| Fixed Interest | 85.57 | 84.68 | 84.63 | 84.54 | 84.55 | 84.48 | 86.72 |
| Ordinary | 978.1 | 979.3 | 982.0 | 989.9 | 992.4 | 993.1 | 881.8 |
| Gold Mines | 506.3 | 502.1 | 500.3 | 499.7 | 506.4 | 491.2 | 651.9 |
| Ord. Div. Yield | 4.64 | 4.64 | 4.61 | 4.57 | 4.57 | 4.58 | 4.34 |
| Earnings, Yld.% (full) | 11.53 | 11.52 | 11.42 | 11.33 | 11.33 | 11.35 | 9.65 |
| P/E Ratio (net) (*) | 10.58 | 10.59 | 10.66 | 10.75 | 10.75 | 10.73 | 12.48 |
| Total bargains (Est.) | 26,687 | 26,966 | 26,697 | 27,782 | 35,442 | 27,320 | 26,362 |
| Equity turnover £m. | — | 369.39 | 342.83 | 288.93 | 414.04 | 460.24 | 313.70 |
| Equity bargains | — | 24,002 | 24,386 | 26,119 | 28,600 | 25,984 | 24,032 |
| Shares traded (ml) | — | 191.2 | 184.8 | 166.5 | 217.4 | 237.6 | 167.4 |

10 am 976 8. 11 am 978 8. Noon 978 6. 1 pm 978 6.
2 pm 977 9. 3 pm 977 7.
Basis 100 Govt. Secs. 15/10/26. Fixed Int 1928. Ordinary 1/7/35
Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
*Nil = 10.23.

## HIGHS AND LOWS — S.E. ACTIVITY INDICES

| — | 1984/85 High | 1984/85 Low | Since Compilat'n High | Since Compilat'n Low | | Mar. 27 | Mar. 26 |
|---|---|---|---|---|---|---|---|
| Govt. Secs. | 83.77 (9/1/84) | 74.72 (30/7/84) | 127.4 (9/1/35) | 49.18 (3/1/75) | Daily Gilt Edged Bargains | 161.6 | 148.4 |
| | | | | | Equities Bargains | 155.5 | 158.0 |
| Fixed Int. | 87.48 (14/5/84) | 80.43 (30/7/84) | 150.4 (28/11/47) | 50.53 (3/1/75) | Value | 746.6 | 692.9 |
| | | | | | 5-day Average | | |
| Ordinary | 1024.5 (22/1/85) | 755.3 (23/7/84) | 1024.5 (22/1/85) | 49.4 (26/6/40) | Gilt Edged Bargains | 157.5 | 160.5 |
| | | | | | Equities | | |
| Gold Mines | 711.7 (9/8/84) | 489.5 (25/1/85) | 734.7 (15/2/83) | 43.5 (26/10/71) | Bargains | 167.3 | 165.1 |
| | | | | | Value | 758.1 | 774.4 |

## Reed Int fall

Miscellaneous industrial leaders lacked support and drifted lower. Reed International fell 20 to 560p following reports of downgraded profits forecasts in the wake of a gloomy analysts' meeting. *Pilkington* lost 10 to 287p as did BTR to 692p, while Beecham, at 372p, gave up the previous day's rise of 8. Elsewhere, Equipu jumped 20 to 220p, after 223p, on an investment recommendation and Bridon gained 7 to 140p in response to the better-than-expected results. British Syphon recovered 13 to 141p and European Ferries moved up 4 to 148p on talk of an imminent property deal with Stockley, 2 lower at 75p. TSL Thermal Syndicate, 290p, and James Wilkes, 270p, advanced 15 apiece on renewed speculative buying and The Times Veneer gained 4 to 49p, after 52p, after further considera*tion of the bid and proposed* capital injection from Corporation Development International. Staffordshire Potteries, however, gave up 5 to 89p following the disappointing interim figures.

Central TV rose 8 to 195p in response to better-than-expected annual results. Speculative demand in a restricted market lifted film developer and printer Humphries Holding 5 to 32p.

Lucas Industries, a nervous market recently following adverse comment, pleasantly surprised in revealing first-half profits well above expectations and touched 288p before closing a net 16 higher at 283p. British Car Auction closed the turn higher at 86p, after 82p, following the near-20 per cent expansion in interim profits.

The Arab Banking Corporation purchase for £41.5m of freehold offices in Moorgate, equating to a record £38 per square foot for a refurbished City property, gave a mild boost to the Property sector. Land Securities hardened a penny to 293p along with MEPC, at 308p. Greycoat City Offices firmed 4 to 216p and London and Edinburgh moved up 6 to 258p. Elsewhere, recent takeover favourite Stock Conversion dipped to 453p prior to closing a net 10 down at 460p as the company gave notice of its intention to remain independent. Stockley, a rising market recently on rumours of a major property deal, eased 2 to 75p; the company revealed yesterday the acquisition of additional land adjacent to the Stockley Park Development. Sudden demand in a restricted market lifted Apex Properties 17 to 122p.

P & O Deferred advanced 7 to 352p on satisfaction with the annual results. Other Shippings also made progress. Ocean Transport rallied 5 to 168p following second-thoughts on the annual results, while the increased full-year prots and dividend lifted John I. Jacobs a couple of pence to 60½p. Reardon Smith responded to revived speculative demand with a jump of 6 to 28p; the "A" shares closed 5 up at 18p.

Among generally firmer Textiles, Allied advanced 10 to 402p, while Nottingham Manufacturing closed 4 to the good at 220p. Tootal hardened 2 more to 75p following the latest profit and dividend forecast in its defence against the unwelcome offer from Australian concern Entrad. Dealings in Nova (Jersey) Knit were suspended, at 21p, pending reorganisation details and proposed management changes.

## BP improve

BP gained ground throughout the session and closed at 540p for a net gain of 7. LASMO, however, dipped 8 to 347p, while Trincentrol settled 7 cheaper at 223p following the annual results. Among secondary issues, Aberdeen American Petroleum hardened 3 more to a year's best of 111p on further consideration of recent exploration news.
NO COMMENT

## Quiet Mines

Mining markets continued to reflect movements in foreign exchange rates rather than any volume of trade in share markets.

South African Golds were particularly susceptible to the fluctuations in exchange rates. Dollar quotations held relatively steady reflecting a general stock shortage but sterling prices for Golds generally edged higher as sterling reacted against the dollar. Bullion, meanwhile, gave ground and dipped $4.75 to $327 an ounce.

The Gold Mines index, calculated in sterling terms, showed a 4.2 gain at 506.3.

Movements in top quality Golds were usually restricted to a ½ in either direction with Randfontein ¼ firmer at £84¼ and Winkelhaak ½ better at £27½. Libanon, the subject of sustained overseas support, advanced £1½ to £18¾.

Financials remained mixed. De Beers hardened a few pence to 412p, while Continental buying was particularly evident in Gencor, ¼ up at £11¼, and in GFSA, ½ firmer at £13¼.

Australians encountered profit-taking in overnight domestic markets and posted widespread falls in London. Among the leaders, Western Mining gave up 7 at 231p, Peko-Wallsend 6 at 234p and MIM Holdings 5 at 176p. CRA were a notable weak spot and fell 14 to 348p.

Elsewhere, McFinla yRed Lake jumped 25 to 310p and New Sabina 6 to 46p amid rumours of an imminent drilling report.

Increased demand for put positions boosted total contracts transacted in Traded Optins to 8,614. Currency considerations prompted sizeable hedging operations in both Bats and Jaguar; the former attracted 518 calls and 430 puts, while Jaguar recorded 354 calls and 503 puts. British Telecom contracts were again lively with 1,812 calls struck, the May 130's and August 100's accounting for 474 and 485 trades respectively; BT also attracted 469 puts.

## NEW HIGHS AND LOWS FOR 1984/5

### NEW HIGHS (72)

BRITISH FUNDS (1)
Treas. 3pc 1985
INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
Euro Inv. Bk. 10¼pc 2011
AMERICANS (0)
Hydro Quebec 15pc 2011
AMERICANS (1)
Tenneco 10pc Ln. 1991-95
BREWERS (1)
Brown (Matthew)
BUILDINGS (2)
Access Satellite — Lafarge
CHEMICALS (1)
Cory (Horace)
STORES (4)
Dixons Group — Home Charm
GUS A — Woolworth
ELECTRICALS (3)
British Telecom — VG Instruments
Energy Services
ENGINEERING (11)
Braham Millar — Lake & Elliot
Brasway — Lloyd (F. H.)
Delta Group — Metalrax
Desoutter Bros. — Robinson (Thos.)
Glynwed Intl. — 600 Group
Hampson Inds.
FOODS (3)
Bejam — Low (Wm.)
Iceland Frozen Foods
HOTELS (1)
Stakis
INDUSTRIALS (19)
Alexandra Workwr — EIS
Appledore (A. & P.) — Equipu
BETEC — Hyman (I. & J.)
Biddle — Lond & Midland Dis
Bodycote Intl. — Low & Bonar
*Bridgend Processes* — *Macfarlane*
Bridport-Gundry — TSL Thermal Synd.
CVD Inc — The Times Veneer
Cope Allman — Wilkes (J.)
Dyson (J. & J.)
LEISURE (3)
Julianas — President Entertains.
Miss World
NEWSPAPERS (2)
E Midland Allied A — News Intl.
PAPER (1)
Valin Pollen Intl
PROPERTY (8)
CALA — Rosehaugh
Gable House Prop. — Tops Estates
London Edinburgh — Do. 7½pc Cnv 2014
Priest Marians — Wates City of London
TEXTILES (3)
Illingworth Morris — Allied Textile
Do A
TRUSTS (2)
Cystic Fibrosis — Lowland Inv.
OILS (1)
Aberdeen Am. Pet.
MINES (3)
ACM — Musto Explorations
McFinley Red Lake

### NEW LOWS (16)

CANADIANS (2)
Bow Valley — Hudson's Bay
BEERS (1)
Irish Distillers
BUILDINGS (1)
Bailey (Ben)
CHEMICALS (1)
Hercules Inc
ELECTRICALS (1)
Alphameric
INDUSTRIALS (2)
Bespak — Oldacre
INSURANCE (1)
NZI Corp.
LEISURE (1)
Entrtanmt Prod. Serv.
PAPER (1)
Addison Page
PROPERTY (1)
Cussins Prop.
TRUSTS (1)
Argo Inv.
OILS (1)
Ohio Resources
MINES (2)
De Beers 40pc Prf. — Malaysian Mining

# Vectis Stone profits down

Vectis Stone, construction, vehicles and fuel distribution, toiletries and catering group, reported a pre-tax profit of £862,000 in the year to December 31 1984, against £1.03m in the previous 15 months.

The profit, on turnover of £30.26m (£39.16m), includes interest received of £66,000 (£47,000) and interest paid of £7,000 (£26,000).

The group says the trading profit shortfall is mainly attributable to the movement from profits of £24,000 to losses of £59,000 at George Rees, the South Wales Ford main dealership, where extremely difficult trading conditions have been experienced. It says action is being taken to reduce costs.

The reorganisation at Columbia Products, toiletries and holdalls subsidiary, continued in 1984 but the company incurred losses similar to those in 1983 (loss of £46,000 against loss of £82,000).

Progress is being made in this area and current orders are significantly ahead of last year's.

Both the construction and fuel distribution divisions produced profits marginally ahead of the record levels achieved in 1983.

Profits in the hotel and catering division were reduced, due mainly to narrower margins and heavier expenditure on essential maintenance and hotel refurbishment.

Earnings per share, before extraordinary items, were quoted at 3.67p (4.27p) and a final dividend of 1.3p is recommended, making 2.2p for the full year.

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| Energy Services | 84 | +14 |
| Falcon Resources | 475 | −15 |
| Glywed International | 208 | + 6 |
| GUS "A" | 793 | +10 |
| Jaguar | 302 | + 2 |
| Lucas Inds | 283 | +16 |
| Reed International | 560 | −20 |
| Sedgwick | 383 | — |
| Stock Conversion | 460 | −10 |
| TI | 244 | +18 |
| Vickers | 252 | − 4 |
| Woodworth | 747 | +62 |

## RECENT ISSUES

### EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1984/85 High | 1984/85 Low | Stock | Closing Price p | + or − | Net Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1984/85 High | 1984/85 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### RIGHTS OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1984/85 High | 1984/85 Low | Stock | Closing price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 240 | Nil | 13/5 | 28pm | 25pm | Watmoughs | 25pm | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. Φ Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Mar 18 | Mar 29 | June 27 | July 8 |
| Apr 1 | Apr 19 | July 11 | July 22 |
| Apr 22 | May 3 | July 25 | Aug 5 |

*For rate indications see end of Share Information Service*

Money was given for the call of Charterhall, Sun Oil Royalties, Selincourt, Bristol Oil and Minerals, Babcock International, Sound Diffusion, Resources Technology, Bardsley, Dewhurst and Partner A, Brunswick, W. Canning, North Kalgurli, Ocean Transport and Trading, Minoil Securities, Goodman Bros, and Eglinton Oil and Gas. Puts were struck in Christies International and Sound Diffusion, while doubles were taken out in Ocean Transport and Trading, Osceola and North Kalgurli.

## WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

| Stock | No. of changes | Wed. close | Day's change |
|---|---|---|---|
| BAT Inds | 30 | 328 | −22 |
| Brit Aerospace | 24 | 413 | +15 |
| Prudential | 22 | 615 | +28 |
| Legal & Gen | 17 | 705 | +20 |
| Delta Group | 15 | 144½ | + 6 |
| ICI | 15 | 775 | −13 |
| Jaguar | 15 | 300 | −14 |
| Thorn EMI | 15 | 402 | −10 |
| Euro Ferries | 14 | 144 | — |
| BTR | 13 | 702 | − 1 |
| Beecham | 13 | 380 | + 8 |
| Glaxo | 13 | £11½ | − ¼ |
| Ocean Trans | 13 | 163 | − 6 |
| RHM | 13 | 154 | − 4 |

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 83 | 6 | 17 |
| Corpns. Dom. and Foreign Bonds | 42 | 3 | 27 |
| Industrials | 275 | 310 | 881 |
| Financial and Prop. | 58 | 210 | 279 |
| Oils | 20 | 42 | 62 |
| Plantations | 1 | 6 | 10 |
| Mines | 47 | 46 | 85 |
| Others | 50 | 111 | 52 |
| Totals | 576 | 734 | 1,393 |

# FT-ACTUARIES SHARE INDICES

**These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries**

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

| | Thur March 28 1985 Index No. | Day's Change % | Est. Earnings Yield% (Max.) | Gross Div. Yield% (ACT at 30%) | Est. P/E Ratio (Net) | Wed March 27 Index No. | Tues March 26 Index No. | Mon March 25 Index No. | Fri March 22 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 CAPITAL GOODS (206) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 550.10 | 551.17 | 553.57 | 553.61 | 524.07 |
| 2 Building Materials (23) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 504.87 | 503.65 | 504.94 | 502.96 | 521.28 |
| 3 Contracting, Construction (30) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 698.59 | 699.38 | 701.03 | 698.68 | 768.91 |
| 4 Electricals (15) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1564.90 | 1534.22 | 1549.15 | 1536.82 | 1723.62 |
| 5 Electronics (36) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1692.76 | 1703.41 | 1716.68 | 1726.81 | 1784.68 |
| 6 Mechanical Engineering (61) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 304.66 | 302.78 | 302.01 | 300.48 | 248.52 |
| 8 Metals and Metal Forming (8) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 196.87 | 198.26 | 198.42 | 195.11 | 203.79 |
| 9 Motors (17) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 162.52 | 164.81 | 166.38 | 167.95 | 143.28 |
| 10 Other Industrial Materials (16) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 950.38 | 954.50 | 958.07 | 957.20 | 692.51 |
| 21 CONSUMER GROUP (181) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 634.98 | 638.77 | 643.74 | 641.93 | 528.44 |
| 22 Brewers and Distillers (23) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 563.59 | 566.72 | 570.76 | 572.42 | 518.90 |
| 25 Food Manufacturing (21) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 503.86 | 505.51 | 506.85 | 505.27 | 402.63 |
| 26 Food Retailing (13) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1482.23 | 1475.01 | 1484.76 | 1483.08 | 1221.16 |
| 27 Health and Household Products (9) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1023.52 | 1029.45 | 1028.74 | 1028.49 | 794.47 |
| 28 Leisure (22) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 670.26 | 676.43 | 688.71 | 686.98 | 683.11 |
| 29 Newspapers, Publishing (12) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1761.44 | 1760.33 | 1732.53 | 1742.99 | 1308.17 |
| 31 Packaging and Paper (14) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 323.24 | 323.09 | 322.29 | 319.81 | 262.40 |
| 32 Stores (45) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 33 Textiles (19) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 34 Tobaccos (3) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 41 OTHER GROUPS (96) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 42 Chemicals (17) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 44 Office Equipment (4) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 45 Shipping and Transport (12) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 Miscellaneous (61) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 48 Telephone Networks (2) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 49 INDUSTRIAL GROUP (483) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 51 Oils (17) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 59 500 SHARE INDEX (500) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 61 FINANCIAL GROUP (114) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 62 Banks (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 65 Insurance (Life) (8) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 66 Insurance (Composite) (7) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 67 Insurance (Brokers) (6) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 68 Merchant Banks (12) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 69 Property (50) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 Other Financial (25) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 Investment Trusts (106) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 Mining Finance (4) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 Overseas Traders (14) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 ALL-SHARE INDEX (758) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| FT-SE 100 SHARE INDEX | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## FIXED INTEREST

| PRICE INDICES | Thur March 28 | Day's change % | Wed March 27 | xd adj. today | xd adj. 1985 to date |
|---|---|---|---|---|---|
| British Government | | | | | |
| 1 5 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 5-15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 Over 15 years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 4 Irredeemables | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 5 All stocks | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 6 Debentures & Loans | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 Preference | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| BRITISH GOVERNMENT INDEX-LINKED STOCKS | | | | | |
| 8 All stocks | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

## EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 26,885
A=Ask B=Bid C=Call P=Put

## LONDON TRADED OPTIONS

| Option | | Calls Apr. | Calls Jly. | Calls Oct. | Puts Apr. | Puts Jly. | Puts Oct. |
|---|---|---|---|---|---|---|---|
| B.P. (*541) | 460 | 85 | 97 | 110 | 1½ | 5 | 10 |
| | 500 | 47 | 62 | 75 | 5 | 10 | 22 |
| | 550 | 15 | 24 | 40 | 28 | 32 | 40 |
| | 600 | 6 | 16 | 27 | 68 | 72 | 77 |
| Cons. Gold (*531) | 460 | 77 | 87 | 102 | 2 | 6 | 11 |
| | 500 | 40 | 52 | 67 | 10 | 20 | 27 |
| | 550 | 9 | 32 | 42 | 32 | [illegible] | [illegible] |

| Option | | Calls May | Calls Aug. | Calls Nov. | Puts May | Puts Aug. | Puts Nov. |
|---|---|---|---|---|---|---|---|
| Imperial Gp. (*187) | 160 | 33 | 38 | — | 2 | 3 | — |
| | 180 | 16 | 24 | 29 | 8 | 12 | 15 |
| | 200 | 11 | 17 | 21 | 17 | 25 | 29 |
| | 220 | 3 | 9 | 12 | 36 | 41 | 43 |
| LASMO (*348) | 300 | 57 | 63 | — | 4 | 7 | — |
| | 330 | 37 | 48 | 55 | 12 | 17 | 22 |
| | 360 | 25 | 38 | 45 | 25 | 33 | 38 |

[illegible]

Mar. 28. Total contracts 8,641 Calls 5,157. Puts 3,447
* Underlying security price.

# LONDON SHARE SERVICE

## BRITISH FUNDS

| 1984-85 High | Low | Stock | Price £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| | | **"Shorts" (Lives up to Five Years)** | | | | |
| 98⅝ | 93¾ | Treas 3pc 1985 | 98⅝ | +⅛ | 3.04 | 12.66 |
| 102¼ | 99⅛ | Treas 11½pc 1985 | 99⅞ | +⅛ | 11.55 | 12.90 |
| 99¼ | 96⅜ | Treas 8¾pcCnv '85 | 98⅛ | +⅛ | 8.89 | 12.39 |
| 104⅛ | 99⅜ | Exch. 12¼pc 1985 | 100 | +⅛ | 12.25 | 12.13 |
| 103¼ | 99⅛ | Exch. 11¾pc '86 | 99⅞ | +¼ | 11.76 | 11.77 |
| 102⅛ | 96⅛ | Treas. 10pcCnv 1986 | 98¼xd | +⅛ | 10.17 | 11.74 |
| 94⅛ | 88¼ | Treas 3pc 1986 | 93½ | –⅛ | 3.21 | 9.12 |
| 102 | 96¼ | Exch. 10½pc Cv '86 | 98⅞ | +⅛ | 10.65 | 11.86 |
| 104⅛ | 99⅛ | Treas 12pc 1986 | 100 | | 12.00 | 11.94 |
| 98¼ | 93½ | Treas 8¾pc 1984-86‡‡ | 96⅛ | –⅛ | 8.83 | 11.65 |
| 108⅛ | 102⅛ | Exch. 14pc 1986 | 103⅛xd | | 13.58 | 11.86 |
| 89¼ | 85 | Exch. 2½pc 1986 | 89 | +⅛ | 2.81 | 9.87 |
| 107⅛ | 100⅛ | Exch. 13¼pc 1987 | 102¾ | +⅛ | 12.94 | 11.71 |
| 100⅞ | 94½ | Treas 10¼pcCv '87 | 97⅛ | –⅛ | 10.52 | 11.71 |
| 87¼ | 83¼ | Exch 2½pc 1987 | 87½ | | 2.86 | 9.91 |
| 101⅛ | 94½ | Exch 10½pc 1987 | 98⅛xd | +⅛ | 10.71 | 11.61 |
| [illegible] | | | | | | |

### Five to Fifteen Years

[illegible]

### Over Fifteen Years

[illegible]

### Undated

[illegible]

### Index-Linked

[illegible]

## INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

## CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS

### Building Societies

[illegible]

### Public Board and Ind.

[illegible]

### Financial

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

## AMERICANS

[illegible]

## AMERICANS—Cont.

| 1984-85 High | Low | Stock | Price £ | + or – | Div Gross | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 22⅞ | 14½ | Amer Medical Int $1 | 19¼ | –½ | 60c | — | 2.7 |
| 59⅞ | 20⅛ | Amer Nat Res. $1 | 52¼ | –2¼ | $1.41 | — | 2.3 |
| 20⅝ | 10⅝ | American T & T $1 | 17⅞ | | $1.20 | — | 5.8 |
| 79½ | 43⅝ | Ameritech $1 | 66¼ | –1 | $6.00 | — | 7.7 |
| 25 | 15½ | Amfact | 21⅛ | –⅛ | $1.44 | — | 5.8 |
| 47p | 16½p | BrandTechu | 37½p | | — | — | — |
| 18⅛ | 10⅝ | BankAmerica $1 ⅝ | 15¼ | –⅛ | $1.52 | — | 8.5 |
| 60½ | 27½ | Bankers N.Y. $10 | 51xd | –½ | $2.70 | — | 4.5 |
| 12⅛ | 919p | BASIX Corp | 989pxd | +9 | 12c | — | — |
| 80⅛ | 46⅛ | Bell Atlantic $1 | 67⅛ | –⅛ | $6.80 | — | 8.6 |
| 34½ | 19½ | Bellsouth $1 | 29⅛xd | –⅛ | $2.60 | — | 7.6 |
| 20⅞ | 12 | Beth Steel $8 | 14 | –⅛ | 40c | — | 2.4 |
| 24 | 11⅞ | Bowater Inc | 17⅞ | –⅛ | 72c | — | 3.4 |
| 40½ | 19⅝ | Brown'g-Fer 16⅔c | 34⅝ | +⅛ | $1.08 | — | 2.7 |
| 37¼ | 16⅝ | Brunswick Corp | 29 | +⅛ | $1.00 | — | 2.9 |
| 875p | 405p | Business Computer | 448p | | — | — | — |
| 39⅞ | 24¼ | CPC Intnl. 25c | 34xd | –1 | $2.20 | — | 5.5 |
| 25 | 14½ | CSX Corp U S $1.00 | 19⅛ | –⅛ | $1.04 | — | 4.6 |
| 16⅝ | 10⅝ | CalFed Inc $1.00 | 14⅝ | +⅛ | 32c | — | 1.9 |
| 65⅞ | 39⅛ | Campbell Soup 60c | 58¼ | –2⅛ | $2.50 | — | 3.7 |
| 36½ | 24⅛ | Caterpillar Tractor | 25½xd | +⅛ | 50c | — | 1.7 |
| 12⅞ | 643p | Cenergy Corp 25c | 703p | –9 | 1c | — | — |
| 52⅛ | 27⅛ | Chase M'htn $12.5 | 42½ | –⅛ | $3.65 | — | 7.3 |
| 38⅛ | 17⅛ | Chemical New York | 30½ | –½ | $2.36 | — | 6.6 |
| 34½ | 22⅞ | Chesebrough-Pond's $1 | 26 | –⅛ | $1.92 | — | 6.3 |
| 32⅛ | 15½ | Chrysler $6¼ | 28⅛ | –⅛ | $1.00 | — | 3.0 |
| 42⅞ | 19⅞ | Citicorp $4 | 35½xd | | $2.26 | — | 5.5 |
| 23½ | 14⅝ | Colgate-P. $1 | 20 | –⅛ | $1.28 | — | 5.5 |
| 57⅞ | 35⅛ | Colt Inds. $1 | 48 | –½ | $2.50 | — | 4.4 |
| 34½ | 17 | Cons. Foods $1⅓ | 30½ | –⅛ | $1.30 | — | 3.6 |
| 155p | 43½p | Cont Illinois Hldgs $1 | 91½p | +6½ | — | — | — |
| 275p | 100p | Corporate Data Scnce. | 215p | | — | — | — |
| 36⅛ | 20⅝ | Crown Zell. $5 | 33⅛ | –⅛ | $1.00 | — | 2.5 |
| 29⅛ | 9⅛ | Cullinet Sftwr $0.1 | 22⅝ | +⅛ | — | — | — |
| 711p | 321p | Damson Oil 40c | 377p | –15 | — | — | — |
| 28⅛ | 15⅛ | Data Corp. $1 | 22½ | –½ | $1.28 | — | 4.9 |
| 67 | 27⅛ | Data General | 36⅝ | +⅛ | — | — | — |
| [illegible] | | | | | | | |

## CANADIANS

[illegible]

## BANKS, HP & LEASING

[illegible]

### Hire Purchase, Leasing, etc.

[illegible]

## BEERS, WINES & SPIRITS

[illegible]

## BEERS, WINES—Cont.

[illegible]

## BUILDING, TIMBER, ROADS

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY & STORES—Cont.

[illegible]

## ELECTRICALS

[illegible]

## ENGINEERING

[illegible]

## ENGINEERING—Continued

| 1984-85 High | Low | Stock | Price | + or – | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 31 | 11 | Bailey (C. H.) | 22 | | — | — | — | — |
| 222 | 116 | Baker Perkins 50p | 202 | –3 | 6.45 | 2.7 | 4.6 | 10.1 |
| 100 | 44 | Barro Inds. 20p | 90 | | 5.5 | ♦ | 7.1 | ♦ |
| *38 | 3 | Barbican Hldgs 1p | 4 | | — | — | — | — |
| 80 | 52 | Beaufort 10p | 70 | | 4.0 | 2.5 | 8.2 | 6.9 |
| 170 | 98 | Belgrave Hldgs. | 110xd | –2 | 4.2 | ♦ | 5.5 | ♦ |
| 18 | 14 | Bevan (D.F.) 5p | 16 | | 1.0 | 3.0 | 8.9 | 4.2 |
| 108 | 49 | Birmid Qualcast | 80 | –5 | 3.25 | 1.9 | 5.8 | 6.5 |
| 245 | 153 | Birmingham Mint | 205 | | 11.5 | 1.9 | 8.0 | 8.2 |
| £24⅛ | £13½ | Black & Decker $0.50 | £19⅝ | | Q64c | — | 2.8 | — |
| 27 | 9 | Blackwood Hodge | 24 | –1 | — | — | — | — |
| 9½ | 5 | Boulton Wm 10p | 9 | | — | — | — | — |
| 83 | 24 | Braham Millar 10p | 83 | +2 | 1.1 | 2.4 | 1.9 | 30.4 |
| 178 | 114 | Braithwaite £1 | 122 | | 9.1 | 0.8 | 10.7 | 18.0 |
| 54 | 24½ | Brasway 10p | 54 | +3 | 1.33 | 2.8 | 3.5 | 13.2 |
| 10 | 2 | Bristol Ch.Stn10p | 4½ | –¼ | — | — | — | 9.8 |
| 132 | 81 | Brit. Steam 20p | 128 | | 5.2 | 1.8 | 5.9 | 12.5 |
| 28¼ | 16½ | Bromsgrove Inds.10p | 25 | | 0.92 | 4.2 | 5.2 | 5.1 |
| 18½ | 10½ | Brons Eng. 10p | 16xd | | 0.5 | — | 4.5 | — |
| 27 | 8 | Brooke Tool | 26 | | 1.0 | 3.8 | 5.5 | 5.8 |
| 134 | 87 | Brown & Tawse | 127 | | 4.8 | 2.5 | 5.4 | 10.5 |
| 36 | 16 | Brown (John) | 32 | | — | — | — | — |
| 522 | 234 | Bullough 20p | 515 | +2 | 12.6 | 2.5 | 3.1 | 16.4 |
| 162 | 28 | Burgess Products | 162 | | 2.0 | 9.6 | 1.8 | 28.7 |
| 30 | 10 | Butterfield-Harvey | 26½ | | 8 | — | — | — |
| 39 | 18 | Camford Eng. | 30 | +1 | 1.05 | 4.2 | 5.0 | 5.1 |
| 58 | 10 | Camseal Inc. | 15 | +5 | — | — | — | — |
| 280 | 100 | Carclo Eng. | 280 | | 9.5 | 2.8 | 4.8 | 8.1 |
| 127 | 90 | Cartwright R. 10p | 111 | | 6.5 | ♦ | 7.4 | ♦ |
| [illegible] | | | | | | | | |

## FOOD, GROCERIES, ETC

[illegible]

## HOTELS AND CATERERS

[illegible]

## HOTELS—Continued

| 1984-85 High | Low | Stock | Price | + or – | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 26½ | 7 | Ryan Hotels 5p | 23½ | | Q18.57% | ♦ | 3.5 | ♦ |
| 420 | 268 | Savoy "A" 10p | 353 | | 2.0 | 5.6 | 0.8 | 23.6 |
| 70 | 29 | Stakis 10p | 68xd | +1 | 1.0 | 2.8 | 2.1 | 20.2 |
| 161 | 93 | Trusthouse Forte | 143 | –1 | 4.74 | 1.7 | 4.7 | 15.5 |

## INDUSTRIALS (Miscel.)

| 1984-85 High | Low | Stock | Price | + or – | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 152 | 100 | AAH | 148 | –2 | 6.18 | 2.3 | 6.0 | 10.3 |
| £37⅛ | £30 | AGA AB K50 | £35 | | Q22% | ♦ | 3.2 | ♦ |
| 268 | 205 | AGB Research 10p | 237 | +2 | 6.0 | 1.4 | 3.6 | 25.6 |
| 127 | 80 | AIM 10p | 105 | | 5.75 | 1.2 | 7.8 | 14.9 |
| 152 | 103 | Aeronite Group | 127 | –3 | 2.8 | 3.1 | 3.1 | 14.5 |
| 100 | 46 | Aronson Bros. 10p | 99 | +1 | 4.2 | ♦ | 6.1 | ♦ |
| 53 | 32 | Abbey | 52 | | — | — | — | 5.5 |
| 56 | 14½ | Abertoyle Hldgs. 8p | 48 | –1 | — | — | — | — |
| 380 | 195 | AGI | 330 | | 5.0 | 3.0 | 2.2 | 21.0 |
| 153 | 124 | Alexandra Wheeler 10p | 153 | +2 | 4.5 | 2.5 | 4.2 | 13.6 |
| £28 | £16¼ | Alfa-Laval AB'B'SK50 | £17 | –⅛ | Q18% | ♦ | 5.5 | ♦ |
| 138 | 82 | Aman | 135 | –1 | 2.7 | ♦ | 5.1 | ♦ |
| 110 | 75 | Amber Ind. 10p | 105 | | 5.5 | 2.3 | 7.5 | 8.2 |
| £18 | £14 | Amer Group FM20 | £16 | | Q15% | 1.0 | 2.4 | 42.6 |
| 164 | 100 | Ang. African Fin 7½p | 108 | | — | — | — | — |
| 34½ | 21½ | Anglo Nordic | 23 | | 1.4 | 2.0 | 8.7 | 10.8 |
| 152 | 85 | Appledore (A & P) 10p | 152 | +2 | 4.57 | ♦ | 4.3 | ♦ |
| 295 | 169 | Applied Computer | 225 | –2 | 0.73 | 10.9 | 0.5 | 26.0 |
| 33 | 16 | Arenson 10p | 31 | | 8 | — | — | 8.7 |
| 38½ | 16½ | Armour Trust 10p | 20½ | | 0.18 | 6.0 | 1.0 | 18.0 |
| 28 | 12 | Ashley Ind. Tst. | 21 | | — | — | — | 14.1 |
| [illegible] | | | | | | | | |

### For Stores Data see Scandards Index

[illegible]

## INDUSTRIALS—Continued

| 1984-85 High | Low | Stock | Price | + or − | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 104 | 65 | Marley | 88 | | 3.75 | 2.2 | 6.1 | 9.9 |
| 86 | 40 | Marling Ind. 10p | 85 | | 3.0 | 5.6 | 2.2 | 10.0 |
| 46 | 29 | Marshall Cav. 'A' | 42 | | 2 | 3.6 | 4.1 | 47.5 |
| 71 | 37 | Marshall's Universal | 60 | | 2.0 | ♦ | 4.3 | ♦ |
| 89 | 77 | Do. 7½pcCnvRedPf £1 | 82 | +1 | 7½% | — | 13.1 | — |
| 30 | 20 | Martin-Black | 22 | | — | — | — | — |
| £108 | £81 | Martonair 7½% | 685 | −5 | Q7½% | 2.3 | 9.5 | — |
| 435 | 282 | Metal Box £1 | 410 | −4 | 15.0 | 3.2 | 5.2 | 6.6 |
| 220 | 129 | Metal Closures | 156 | | 6.7 | ♦ | 5.8 | ♦ |
| 27 | 9 | Metalrax Services 2½p | 12 | −1 | — | — | — | — |
| 133 | 79 | Midland Marts | 88 | | 4.0 | 2.8 | 6.5 | 11.1 |
| 84½ | 45 | Mitchell Cotts | 69 | | 4.0 | 1.5 | 8.3 | 9.8 |
| 225 | 132 | Morgan Crucible | 225 | | 8.0 | ♦ | 5.5 | ♦ |
| 36 | 22 | Morris (W.F.) 'A' 20p | 28 | +1 | 0.5 | ♦ | 2.6 | ♦ |
| 120 | 80 | Moss (Robt.) 10p | 100 | +1 | 2.5 | 2.3 | 3.6 | 14.5 |
| 330 | 197 | MW Computers | 305 | | 6.0 | 3.5 | 2.8 | 17.0 |
| 65 | 35 | Nash Inds. | 35 | | 2.5 | 1.5 | 10.2 | 8.1 |
| 48 | 30 | Neil & Spencer 10p | 36 | | — | — | — | 10.8 |
| 33 | 13 | Newman Industries | 30 | +1 | — | — | — | ♦ |
| 33½ | 16½ | Do. 10pc Cnv.Cnv.Pf | 33½ | | 10% | — | 4.3 | — |
| 67 | 39 | Norton | 55 | | 1.1 | 4.5 | 2.9 | 9.2 |
| 183 | 132 | Norcros | 154 | +1 | 8.6 | 2.4 | 8.0 | 8.1 |
| 86 | 53 | Nu-Swift 5p | 58 | | 2.4 | 3.2 | 5.9 | 7.6 |
| 100 | 50 | Oakwood Grp | 90 | | 5 | 1.4 | 7.1 | 13.2 |
| 190 | 135 | Office & Elect. | 165 | | 7.5 | 4.2 | 6.5 | 7.6 |
| 108 | 85 | Oldacre 20p | 85 | −3 | 4.0 | 2.6 | 6.7 | 7.5 |
| 925 | 625 | Orffiame Intl SA | 875 | | 46.8 | ♦ | 7.6 | ♦ |
| 46 | 15 | Overstone 12½p | 17 | | 0.5 | 2.2 | 1 | 3.9 |
| £175 | £120 | Ozalid 9pc Cnv 87-92 | £172 | −1 | Q9% | — | 5.3 | — |
| 190 | 105 | PCT Grp 10p | 165 | −5 | 4.8 | 2.9 | 4.1 | 10.1 |
| £14 | 975 | PLM 'B' Sk 25 | £13½ | | Q21.6% | ♦ | 4.1 | ♦ |
| 193 | 149 | PSM Intl | 178 | | 5.25 | 2.6 | 4.2 | 13.0 |
| 62 | 40 | Pacific Sales 10p | 55 | | 2.4 | 2.2 | 6.2 | (8.3) |
| 207 | 148 | Parker Knoll 'A' | 181 | | 9.0 | 2.8 | 7.1 | 7.1 |
| 375 | 197 | Pash | 342 | | F13.0 | 2.5 | 5.1 | 15.9 |
| 714 | 403 | Pearson | 608 | −10 | 14.0 | 3.0 | 2.9 | 13.7 |

## INSURANCES

## LEISURE

## LEISURE—Continued

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING, ADVERTISING

## PROPERTY

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc

## OIL AND GAS

## OVERSEAS TRADERS

## PLANTATIONS

### Rubbers, Palm Oil

### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Diamond and Platinum

### Central African

## MINES—Continued

### Finance

### Australians

### Tins

### Miscellaneous

| 1984-85 High | Low | Stock | Price | + or − | Div Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 40 | 25 | Elmer Ltd. 1/100 | 34 | −1 | — | — | — |
| 252 | 150 | Hampton Areas 10p | 197 | −3 | 3.75 | 2.1 | 2.6 |
| 260 | 140 | Highwood Res. | 195 | −15 | — | — | — |
| £24½ | £16 | Homestake Mining $1 | £21¼ | −⅛ | Q20c | — | 0.8 |
| 310 | 135 | McFinley Red Lake | 310 | +25 | — | — | — |
| 300 | 101 | Mestó Explorations | 300 | +8 | — | — | — |
| 55 | 23 | New Siskiyou Res C$1 | 46 | +6 | — | — | — |
| 365 | 220 | Northgate C$1 | 305 | | — | — | — |
| 718 | 500 | RTZ | 663 | −2 | 18.0 | 2.7 | 3.9 |
| £155½ | £113½ | Do. 9½pcLn '95-2000 | £144 | −½ | Q9½% | 35.4 | 6.7 |
| £13½ | 850 | Tara Expln $1 | £12⅝ | +⅛ | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- • "Tap Stock"
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- • Interim since increased or resumed
- • Interim since reduced, passed or deferred.
- • Tax-free to non-residents on application.
- ♦ Figures or report awaited
- • Not officially UK listed; dealings permitted under Rule 535(4)(a).
- • USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities
- • Dealt in under Rule 535(3).
- • Price at time of suspension
- • Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- • Merger bid or reorganisation in progress.
- • Not comparable
- • Same interim: reduced final and/or reduced earnings indicated.
- • Forecast dividend: cover on earnings updated by latest interim statement.
- • Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- • Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- • No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

| Stock | Price | + or − | Stock | Price | + or − |
|---|---|---|---|---|---|
| Albany Inv 20p | 102 | −2 | Arnott | 178 | −1 |
| Craig & Rose £1 | £18 | | CPI Hldgs. | 57 | |
| Finlay Pkg. 5p | 58 | | Carroll Inds. | 118 | |
| Higsons Brew. | 118 | | Dublin Gas | 52 | |
| Holt (Jos) 25p | 790 | | Hall (R. & H.) | 48 | |
| IoM Stm. £1 | 127 | −3 | Heiton Hldgs. | 26½ | |
| IRISH | | | Irish Ropes | 39 | |
| Exch. 12% 1985 | £99⅝ | | Jacob (W. & R.) | 66 | +1 |
| Nat. 9¾% 84/89 | £86 | +⅛ | TMG | 215 | |
| Fin. 13% 97/02 | £94¼ | +⅛ | Unidare | 88 | |

## OPTIONS — 3-month call rates

| Industrials | p | | p | | p |
|---|---|---|---|---|---|
| Allied-Lyons | 16 | GKN | 17 | Turner Newall | 10 |
| BAT | 32 | Hanson Tst | 17½ | Unilever | 85 |
| BOC Grp. | 25 | Hawker Sidd | 38 | Vickers | 19 |
| BSR | 16 | Hse of Fraser | 30 | **Property** | |
| BTR | 52 | ICI | 60 | Brit Land | 12 |
| Babcock | 14 | 'Imps' | 18 | Cap Counties | 18 |
| Barclays | 48 | Jaguar | 28 | Land Secs | 25 |
| Beecham | 32 | Ladbroke | 24 | MEPC | 28 |
| Blue Circle | 45 | Legal & Gen | 50 | Peachey | 22 |
| Boots | 15 | Lex Service | 28 | Samuel Props | 14 |
| Bowaters | 20 | Lloyds Bank | 45 | **Oils** | |
| Brit Aerospace | 33 | Lucas Inds | 25 | Brit. Oil & Min | 4 |
| Brit Telecom | 11 | Marks & Spcr | 11 | Brit Petroleum | 42 |
| Brown (J.) | 3 | Midland Bk | 30 | Burmah Oil | 18 |
| Burton Ord. | 39 | NEI | 8 | Charterhall | 6 |
| Cadburys | 14 | Nat West Bk | 60 | Premier | 5 |
| Comm Union | 19 | P & O Dfd | 36 | Shell | 60 |
| Courtaulds | 12½ | Plessey | 17 | Tricentrol | 18 |
| Debenhams | 17½ | Polly Peck | 26 | Ultramar | 19 |
| Distillers | 28 | Racal Elect | 18 | **Mines** | |
| Dunlop | 6 | RHM | 11 | Charter Cons | 18 |
| FNFC | 8½ | Rank Org Ord | 32 | Cons Gold | 44 |
| Gen Accident | 45 | Reed Intnl | 50 | Lonrho | 14 |
| Gen Electric | 17 | Sears | 8 | Rio T Zinc | 56 |
| Glaxo | 85 | TI | 28 | | |
| Grand Met | 25 | Tesco | 20 | | |
| GUS 'A' | 60 | Thorn EMI | 35 | | |
| Guardian | 60 | Trust Houses | 13 | | |

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

# AUTHORISED UNIT TRUSTS

# FT UNIT TRUST INFORMATION SERVICE

**James Finlay Unit Trust Mngt. Ltd.**
10-14, West Nile Street, Glasgow. 041-204 1321

| | | | | |
|---|---|---|---|---|
| J Finlay Internat'l | 65.8 | 70.7 | | 1.47 |
| Accum Units | 84.0 | 90.3 | | 1.47 |
| J Finlay High Income | 53.6 | 57.0 | | 7.28 |
| Finlay Wld. Energy | 16.9 | 18.2 | | 2.01 |
| Accum Units | 23.2 | 24.9 | | 2.01 |
| J Finlay Fd In.Tst | 85.0 | 92.3 | | 3.37 |
| Accum. Units | 124.0 | 133.3 | | 3.37 |

Prices on March 20 Next dealing March 27

**Robert Fleming & Co Ltd**
8, Crosby Square, EC3A 6AN. 01-638 5858

| | | | | |
|---|---|---|---|---|
| †Am Exempt (26/3) | 315.15 | 322.02 | | 1.88 |
| †Jap Exempt (26/3) | 236.92 | 244.67 | | 1.48 |
| †Am Prop Tst (15/2) | | $11,360 | | 7.00 |
| †Prop Tst (25/3) | | £2,106 | .... | 6.00 |

†Unauthorised.

**Framlington Unit Mgt. Ltd. (a)**
3, London Wall, EC2M 5NQ. 01-628 5181

| | | | | |
|---|---|---|---|---|
| Amer. & Gen. | 188.2 | 200.2 | +0.8 | — |
| (Accum. Units) | 190.2 | 202.2 | +0.8 | — |
| Am. T'around | 179.2 | 190.6 | .... | — |
| (Accum. Units) | 183.2 | 194.8 | .... | — |
| Capital Trust | 152.2 | 161.9 | +0.8 | 2.69 |
| (Accum. Units) | 178.8 | 190.2 | +1.0 | 2.69 |
| Convertible & Gilt | 75.8 | 80.4 | .... | 6.23 |
| (Accum. Units) | 94.6 | 100.6 | .... | 6.23 |
| Extra Income Trust | 113.4 | 120.6 | .... | 5.11 |
| Income Tst. | 86.2 | 91.6 | .... | 5.11 |
| Int. Growth Fd. | 144.2 | 153.2 | .... | — |
| (Accum. Units) | 157.8 | 167.8 | .... | — |
| Japan & Gen Fd. | 56.4 | 59.8 | −1.4 | 0.58 |
| Monthly Income Fd | 57.4 | 61.0 | .... | 6.12 |
| Recovery Trust | 98.6 | 104.8 | −0.2 | 2.24 |
| (Accum. Units) | 104.4 | 111.0 | −0.4 | 2.24 |

Britannia Viewpoint 01-675 6666

**UK Specialist Funds**

| | | | | |
|---|---|---|---|---|
| Growth Gilt Trust | 51.0 | 51.8 | +0.1 | 0.74 |
| Recovery | 78.2 | 83.6 | −0.2 | 2.83 |
| Smaller Cos. | 112.1 | 119.6 | | 1.28 |
| Spec. Mkt. Sits. | 75.1 | 80.1 | −0.5 | 1.31 |
| UK Growth (Domestic) | 32.2 | 34.3 | .... | 3.07 |

**High Income Funds**

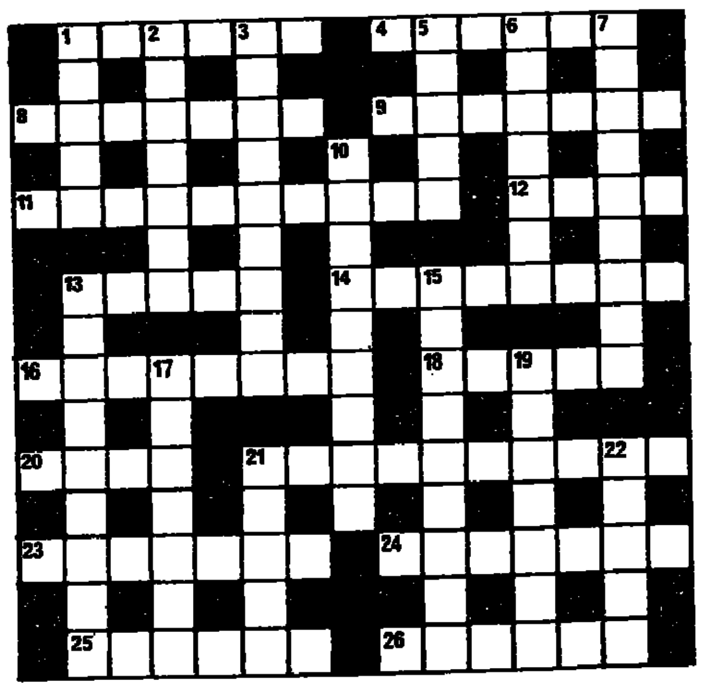
| | | | | |
|---|---|---|---|---|
| Extra Inc. | 50.4 | 53.8 | +0.2 | 7.96 |
| Gilt | 25.7 | 27.9 | +0.1 | 9.78 |
| Inc & Growth | 152.2 | 162.3 | −0.1 | 4.68 |
| Nat. High Inc. | 143.1 | 152.6 | +0.6 | 6.11 |
| Pref. Shares | 17.1 | 18.2 | −0.1 | 11.35 |

**Fidelity International Management Ltd.**
River Walk, Tonbridge, TN9 1DY. 0732 362222

| | | | | |
|---|---|---|---|---|
| American (z) | 82.2 | 88.8 | −1.1 | 0.99 |
| Amer. Eq. Inc. (z) | 30.3 | 32.7 | −0.5 | 5.40 |
| Amer. Spec. Sits (z) | 47.8 | 51.6 | −0.9 | — |
| South E. Asia Tst (z) | 26.0 | 27.7 | −0.7 | 1.84 |
| Japan Special Sits (z) | 24.4 | 26.3 | −0.9 | — |
| Japan Trust (z) | 83.9 | 90.3 | −3.3 | — |
| Managed Int. Tst. (z) | 79.4 | 85.4 | −1.9 | 0.79 |
| Max. Inc. Eq. Tst. | 55.8 | 59.4 | +0.2 | 6.24 |
| Special Sits. | 98.0 | 104.3 | +0.4 | 1.30 |

# INSURANCES

## F.T. CROSSWORD PUZZLE No. 5,681



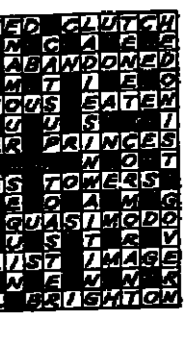
### ACROSS

1 Spasmodic trouble with internal airways (6)
4 Stylish odds against Troy being sacked? (6)
8 Long-armed apes, with one change of member, become hump-backed (7)
9 Principal subject of our times? (7)
11 Lots of people are knocked down by one (10)
12 Common grub in cabbage at Somerset (4)
13 Study-quarter for the impenetrably stupid (5)
14 Poor rate of speed in the interval (8)
16 Lot paid out—about a thousand—for skilled negotiator (8)
18 Hardy's native heath? (5)
20 Novice does not complete mountains around Innsbruck (4)
21 Darling detached home (10)
23 Stability of the rest (7)
24 Leader of maul in RU game—what a jumble! (7)
25 Kansas City right for Jack Dawkins? (6)
26 Dean, for example, takes out redhead (6)

### DOWN

1 Finish in gold case so long (5)
2 Neat bit of conversion for exponent of Lamaism (7)
3 Lo! a 10 perhaps can provide such a tomb (9)
5 Coming before a superior (5)
6 Chemical substance long time in fissure (7)
7 Chay, perhaps, breaks mast before noon (9)
10 Maigret, he ordered French wine (9)
13 She was in line to provide King's breakfast (9)
15 Cows on lorry in state of fear (9)
17 Lion, with state of equality by day, spotted cat (7)
19 Ill-treated sort that yet provides a welcome (7)
21 Wealth from cruel twisting (5)
22 Asparagus contains this inverted sweetener (5)

**Solution to Puzzle No. 5,680**



# INSURANCE, OVERSEAS & MONEY FUNDS

## OFFSHORE AND OVERSEAS

**Rothschild Australia Asset Mgmt. Ltd.**
17 Bridge St, Sydney 2000, Australia

| | | | |
|---|---|---|---|
| Five Arrows Aust. Eq | $1.49 | 1.53 | 5.30 |

**Rouse Woodstock (Bermuda) Limited**
POB 1179, Hamilton, Bermuda 809 295 2244

| | |
|---|---|
| Systemtrend | $11.67 |

**Royal Bank of Canada Funds**
**RBC Invest Managers Ltd**
PO Box 246, St Peter Port, Guernsey 0481 23021

| | | | | |
|---|---|---|---|---|
| Intl Income Fd | $10.14 | 10.79 | | 7.70 |
| Intl Capital Fd | $18.79 | 20.39 | | |
| North America Fd | $8.55 | 9.29 | +0.04 | |
| Far East & Pacific Fd | $9.90 | 10.68 | +0.20 | |
| Canadian Fd. | C$10.39 | 11.14 | +0.03 | |

**RBC Intl Currencies Fd Ltd**

| | | |
|---|---|---|
| U.S.$ | $24.45 | +0.01 |
| Canadian $ | $30.45 | +0.01 |
| £ Sterling | £12.23 | |
| D-Mark | DM56.12 | |
| Swiss Francs | SF42.55 | |
| Japanese Yen | Y6,716 | +1 |
| Managed Fund | $23.25 | +0.10 |

**Royal Trust International Fd. Mngt. Ltd.(x)**
PO Box 194, St. Helier, Jersey. 0534 27441

| | | | |
|---|---|---|---|
| Sterling Fxd Int Fd | £0.852 | 0.864 | 9.54 |
| International Secs | $1.160 | 1.209 | 0.80 |
| International Bond | $0.710 | 0.722 | 7.66 |

Prices on March 20. Next dealing March 27

**SCI/TECH S.A.**
2 Boulevard Royal, Luxembourg

| | | |
|---|---|---|
| SCI/Tech NAV | $9.91 | +0.09 |

**Save & Prosper International**
PO Box 73, St Helier, Jersey. 0534 73933

**Fixed Interest Funds**

| | | | | |
|---|---|---|---|---|
| Deutschmark Bd. | DM10.56 | 11.14 | +0.03 | 4.94 |
| Dlr. Fxd Int. | $7.98 | 8.47 | +0.01 | 10.39 |
| St Fixed | 110.5 | 116.9 | +1.2 | 11.98 |
| Yen Bond | Y144.8 | 153.1 | +1.3 | 2.94 |

**Equity Funds**

| | | | | |
|---|---|---|---|---|
| Global Portfolio Fd | $4.74 | 5.12 | | 0.83 |
| UK Growth | 167.4 | 181.0 | -0.7 | 2.43 |
| Internl. Gr. | $10.42 | 11.27 | +0.08 | 0.98 |
| Far Eastern | $21.18 | 22.90 | +0.14 | 0.33 |
| North American | $8.51 | 9.20 | +0.05 | 0.10 |
| Gold | $9.81 | 10.61 | +0.26 | |

**Multicurrency Reserve Fund**

| | | |
|---|---|---|
| U.S.$ | 1.00 | 8.23 |
| D Marks | 10.00 | 4.48 |
| £ Sterling | 1.00 | 13.75 |
| Yen | 1000.0 | 5.54 |

**Deposit Fund**

| | | | | |
|---|---|---|---|---|
| Sterling Deposit | 197.9 | 198.0 | +0.31 | 0.13 |

All funds are daily dealings

**Schroder Mngt Services (Jersey) Ltd**
PO Box 195, St Helier, Jersey 0534-27561

**Schroder Money Funds Ltd**

| | | |
|---|---|---|
| Sterling | £16.2193 | 12.94 |
| U.S.$ | $30.3761 | 7.81 |
| D-Mark | DM55.3146 | 4.89 |
| Swiss franc | SF53.7222 | 4.73 |

**J. Henry Schroder Wagg & Co. Ltd.**
120, Cheapside, EC2 01-382 6000

| | | | | |
|---|---|---|---|---|
| Am In Tst March 13 | $25.97 | | | 0.40 |
| Asian Fd May March 25 | $27.25 | 29.28 | | 2.40 |
| Cheapside March 27 | $10.54 | - | +0.07 | 2.85 |
| Darling Aust Tst | A$3.95 | 4.25 | +0.07 | 3.1 |

| | | |
|---|---|---|
| E Managed Life Fd | 137.1 | 147.3 |
| Hong Kong Life Fd | 18.711 | 4.360 |

Prices March 27. Next dealing April 3. *Daily dealing

**Scrimgeour Kemp-Gee Mngmt., Jersey**
1, Charing Cross St. Helier, Jersey. 0534 73741

| | | | | |
|---|---|---|---|---|
| SKG Capital Fund | 336.7 | 346.9 | -3.1 | |
| SKG Income Fund | 71.6 | 73.9 | -0.9 | 6.39 |
| Gilt Bond | 174.1 | 183.3 | | |

**Securities Selection Ltd.**
Bermuda Hse., St. Peter Port, G'nsey 0481 26268

| | | |
|---|---|---|
| Forexfund | $6.84 | 7.20 |

**Sentry Assurance International Ltd.**
P O Box 1776, Hamilton 5, Bermuda 55303
For Funds/Prices Phone UK 0908 670505 (24 hrs.)

**Singer & Friedlander Ldn. Agents.**
21 New St. Bishopsgate EC2M 4HR 01-623 3000

| | | | |
|---|---|---|---|
| Dekatonds | DM30.21 | 31.79 | 6.84 |
| Tokyo Tst Mar 1 | | $63.00 | 2.30 |

**Standard Chartered Off. Money Mkt Fund**
PO Box 122, St Helier, Jersey 0534 74454

| | | | |
|---|---|---|---|
| Sterling | £11.4687 | +0.0113 | 12.28 |
| U.S.$ | $23.0183 | +0.0149 | 7.78 |
| D-Mark | DM53.7095 | +0.0208 | 4.68 |
| Swiss Franc | SF41.9877 | +0.0155 | 4.34 |
| Japanese yen | Y5,427.3018 | +2.3741 | 5.76 |

**State St Bank Equity Hldgs NV**
Car Mgt Co, 6 John B. Gorsiraweg, Curacao
Net asset value March 22, $9.19

**Strategic Metal Trust Mngrs. Ltd.**
48 Athol Street, Douglas, IoM 0624 26866

| | | |
|---|---|---|
| Strategic Metal Tr | $0.8695 | 0.8952 |

**World Wide Growth Management♦**
10a, Boulevard Royal, Luxembourg

| | | |
|---|---|---|
| Worldwide Gth Fd | $11.82 | +0.13 |

Inv. Adv. M. & G. Inv. Mngt. Ltd. London

**Wren Commodity Management Ltd.**
10, St George's St, Douglas IoM 0624 25015

| | | | |
|---|---|---|---|
| Wren Com. Fund | 12.8 | 13.4 | 3.10 |
| Chinese Fund. | 58.2 | 60.6 | 1.70 |
| Precious Metal Fund | 67.3 | 70.1 | 8.30 |
| Vanguard Cmdy Fd | 19.3 | 19.6 | 0.00 |
| Financial Futures Fd | 32.1 | 31.5 | |

**Yamaichi Dynamic Mngt Co SA**
10A Boulevard Royal Luxembourg

| | | |
|---|---|---|
| Dynamic Gwth Fd | $8.69 | +0.05 |

## Money Market Trust Funds

| | Nom | CAR | Int Cr | Notice |
|---|---|---|---|---|
| **The Money Market Trust** 63 Qn Victoria St, EC4N 4ST 01-236 0952 | | | | |
| Call Fnd | 14.20 | 14.84 | 6-mth | Call |
| 7-day Fnd | 14.38 | 15.03 | 6-mth | 7 day |
| **Oppenheimer Money Management Ltd** 66 Cannon St, EC4N 6AE 01-236 1425 | | | | |
| Call Fnd | 14.41 | 14.92 | 6-mth | Call |
| 7-day Fund | 14.45 | 14.97 | 6-mth | 7-day |
| Dollar | 6.87 | 6.98 | 6-mth | 2-day |
| Money Mngt. Acct | 14.00 | 14.75 | 3-mth | Call |

## Money Market Bank Accounts

| | Nom | CAR | Int Cr | Notice |
|---|---|---|---|---|
| **Aitken Hume** 30 City Road, EC1Y 2AY 01 638 6070 | | | | |
| Treasury Acc. | 13.75 | 14.48 | Qtr | Call |
| Mth Int. Cha. | 13.50 | 14.37 | Mth | Call |
| **Bank of Scotland** 38 Threadneedle St, EC2P 2EH 01-628 8060 | | | | |
| Cheque Acc | 13.00 | 13.80 | Mth | Call |
| **Barclays Prime Account** PO Box 125, Northampton 0604 252891 | | | | |
| High Int. Cheque | 13.50 | 14.19 | Qtr | Call |
| **Britannia Grp of Investment Companies** 29 Finsbury Circus, EC2M 5QL 01-588 2777 | | | | |
| Cater Allen | 13.25 | 14.09 | Mth | Call |
| **Charterhouse Japhet plc** 1 Paternoster Row, EC4M 7DH 01-248 3999 | | | | |
| Sterling | 13.50 | 14.37 | Mth | Call |
| U.S. Dollar | 8.0 | 8.33 | Mth | Call |
| German Marks | 5.0 | 5.11 | Mth | Call |
| Swiss francs | 2.0 | 2.01 | Mth | Call |
| Japanese Yen | 5.0 | 5.11 | Mth | Call |
| **Co-operative Bank** 78-80 Cornhill EC3 01-626 6543 Ex. 464 | | | | |
| Under £1,000 | 11.00 | 11.47 | Qtr | Call |
| Over £1,000 | 13.00 | 13.66 | Qtr | Call |
| **Dartington & Co Ltd** Dartington, Totnes, Devon TQ9 6JE 0803 862271 | | | | |
| Money Mkt Acc | 13.50 | 14.20 | Qtr | Call |
| Cheque Acc | 14.00 | 14.93 | Mth | Call |
| **Save & Prosper/Robert Fleming** 28 Western Rd, Romford RM1 3LB 0708 66966 | | | | |
| High Int Bk Acc | 13.19 | 14.10 | Daily | Call |
| Premier Acc | 13.19 | 14.10 | Daily | Call |
| **Tyndall & Co** 29-33 Princess Victoria St, Bristol BS8 4BX 0272 732241 | | | | |
| Demand Acc | 13.79 | 14.54 | Qtr | Call |
| Money Acc | 13.75 | 14.47 | Qtr | [illegible] |
| **J. Henry Schroder Wagg & Co Ltd** Enterprise House, Portsmouth 0705 827733 | | | | |
| Special Acc | 13.50 | 14.37 | Mth | Call |
| Over £10,000 | 13.75 | 14.65 | Mth | Call |

Notes. CAR compounded annual rate. Int Cr frequency interest credited

### NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. e Today's opening price. f Distribution free of UK taxes. g Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase.

# COMMODITIES AND AGRICULTURE

## Ivory Coast and Brazil lift timber pact hopes

BY ANDREW GOWERS

PROSPECTS for the International Tropical Timber Agreement brightened suddenly yesterday, as two key timber-producing countries, Ivory Coast and Brazil, joined the list of states which have formally agreed to its entry into force.

The deadline for ratification of the pact, designed to boost co-operation between producers and consumers in the $7bn-a-year tropical timber trade, is this Sunday, and until yesterday there had been real fears that the agreement might founder for lack of support among producers.

Yesterday's surprise move by Brizil and Ivory Coast to give provisional approval to the accord, following what appear to have been largely bureaucratic delays, considreably increases its chances of going ahead later this year. Ivory Coast is Africa's largest timber exporter, and Brazil has the world's largest area of tropical forest — although little of it is exported.

The other producer countries which have ratified the pact — either fully or provisionally — are Indonesia and Malaysia, the world's two largest tropical timber exporters, and Gabon. Thirteen consuming countries, including Japan and all EEC states except Italy, have already given their approval.

Officials of the United Nations Conference on Trade and Development in Geneva were astonished and delighted.

"This is denitely a turning-point," said one. "From now on we are rolling downhill all the way."

However, the agreement may still be short of all the necessary 10 producer and 14 consumer approvals by Sunday. At least five more ratifications from producers are needed.

Officials have set their sights on the Philippines, Thailand and the Congo, while Brazil is reported to be trying to muster more support in Latin America. On the consumer side, both super powers are believed to be close to giving at least a provisional go-ahead.

The ITTA, which was originally accepted by 36 producing and 33 consuming countries in November 19[illegible], aims to promote reafforestation an dtimber processing in exporting countries, as well as gathering information on the timber market and boosting research and development. It will have modest funds.

If enough votes have not come in by Sunday, Unctad will call a meeting on June 17 to decide whether those states which have already ratified it should put it into force among themsellves. But officials are confident that by then, more support will have been forthcoming.

## Tin buffer stock may trade below floor price

By John Edwards, Commodities Editor

MR PIETER DE KONIG, International Tin Council buffer stock manager, confirmed yesterday he had been given approval to operate below the Tin Agreement "floor" price.

He said the Tin Council meeting in London this week had supported his suggestion that giving the buffer stock increased flexibility in this way would help to save money. Previously tin producing countries, like Malaysia, who base their selling prices on the Straits price in Kuala Lumpur, have strongly opposed any suggestion that the buffer stock should allow the "floor" price to be breached

In fact the Straits tin price rose from the "floor" level yesterday morning in Kuala Lumpur for the first time since last November. It increased from M$29.15 (the "floor") to M$29.41 a kilo following the smaller than expected fall in sterling values in London on Wednesday.

Mr de Konig said he had "broken the link" between the two markets by keeping London prices up on Wednesday by support buying at £9,550 a tonne.

Yesterday London tin prices gained ground, encouraged by the easing in sterling and some covering of "short" (sale) positions by traders

In other base metal markets. the fluctuations in the dollar/sterling rate remained by far the most dominant influence, except for zinc where prices were depressed by some persistent selling.

● NEW YORK — Two of the three traders whose losses led to the collapse of a clearing member of the Comex gold futures market here last week are suing the exchange for $14m reports AP-Dow Jones.

'The traders, Gerald and Valerie Westheiner, asserted that Comex should have taken emergency steps to "maintain an orderly market" last week, when gold futures prices soared by more than $36 an ounce in a day. The Westheiners are being sued for $14m by the collapsed clearing member, Volume Investors.

## Cereal lobby pleads for credit

BY JOHN BUCKLEY

THE UK cereal lobby is again urging government to help to shift the country's grain "mountain" on to the export market, not least by providing more effective credit lines. Ironically, these pleas coincide with what seems to be a fundamental shitf of attitude away from credits on the part of some of Britain's competitiors.

Grain market analysts note that while world cereal prices —expressed in dollars—have fallen significantly in recent years, the cost of grain in importers' currencies has actually shown a steep net rise. Only the use of increasing amounts of credit—plus the constant "rolling on" of importers debts —has kept the business coming or, in the case of the U.S., prevented even steeper slide in trade.

These facts have not changed in the past year but the credit backdrop has. The economics of the buy now/pay later philosophy, so useful as a stop-gap measure in the last five years, now seem to be bearing their unwelcome but inevitable fruit for the lender countries.

The problem has been graphically highlighted by recent developments, including the U.S. decision to suspend its blended credit programme. Ostensibly this was forced on the U.S. Agriculture Department by a court ruling that U.S. flagships had to carry half the cargoes, raising the freight cost up 50 per cent.

While the department is likely to try to obtain exemption for blended credit from these argo preference laws, the suspension illustrated the expense of the programme which, from all appearances, has been dropped for fiscal 1986.

Other examples of the tightening grip of the Reagan Administration on the department's budget include the proposed scaling back of PL.480 (Food Aid) for the next year. Some analysts forecast that the use of hidden subsidies on U.S. grain exports may be confined to "lightning strikes" on those markets where an object lesson is deemed necessary for the subsidised competition.

Meanwhile, the department's blended credit decision has baffled some observers who see a potential 3½m tonnes of U.S. wheat sales offered as a hostage to fortune.

However, it is questionable whether rival exporters can catch this "windfall"—bearing in mind the buyers still need their credit.

For example, the French recently ran into financing difficulties in forging a new wheat supply pact with oMrocco. largest of the erstwhile blended credit customers and urgently requiring anything up to 1.6m tonnes before its October harvest. Only intensive last minute juggling by Coface (which like Britain's Export Credits Guarantee Department acts as credit guarantor) enabled this agreement to proceed despite outstanding Moroccan debts from earlier wheat purchases.

Trade sources say this underlines the endemic debt rescheduling problem in the Third World but perhaps the best example of the way the wind is blowing is that of the Canadian Wheat Board.

Pioneer in the use of credit and long-term pacts since the early 1950s, the board has been forced to reduce its credit for grain deals, running at only 15 per cent so far this year against a normal 27 per cent and up to 35 per cent in 1982-83. The Canadian Finance Ministry, which underwrites export credit is reported to be studying ways of scaling back on the board's mammoth $3bn credit line despite warnings from some analysis that this could reduce its thrust in the "opportunity markets."

Other exporters can generally be disregarded in the credit stakes. Argentina can ill afford more than occasional token credit deals to its neighbours under "Latin Unity" arrangements without incurring the wrath of its IMF masters. Australia's Government fights shy of involvement in credit except for one or two major customers like China and Egypt while the use of subsidies on credits or grain export prices has been constantly foresworn.

With the U.S. stuck in self-analytical quagmire over its credit policy and doubts over two French banks' ability to exploit that situation, it is easy to see why some observers talk of a credit hiatus.

Whether the UK can step into that vaccuum is debatable, however, since British prices are uncompetitive and the French have advantages of both freight and quality. But as one trader suggests, "What is the advantage of freight, quality or price if the buyer can't borrow the money?"

## Healthier diet may raise butter mountain

By Andrew Gowers

THE TREND towards healthier eating in Britain could lead to an increase in the butter mountain, according to a report publilshed by Bradford University this week.

The study*. from the university's food policy research unit, is based on a government-sponsored report last year, which linked Britain's abnormally high mortality rate from heart disease with the high intake of fat in the average diet and recommended a 25 per cent cut in consumption of saturated fatty acids.

It says a 25 per cent reduction in fat consumed in the form of milk and butter would result in an annual surplus of production over market demand of 77,000 tonnes of dairy fat in the UK, approximately 11 per cent of total butterfat supplies.

But it adds that this a probably an understatement, since the UK is a significant importer of butter, buying an estimated 128,000 tonnes from abroad last year.

"Unless the UK dairy industry is able to compete with (and replace) these sources in declining markets at home and in the EEC as a whole, there must be even greater overproducton," the report says.

UK butter consumption has been on the wane for some time because of competition from cheaper margarine, and sales of low-fat milk have been gaining ground at the expense of ordinary liquid milk.

But the report forecasts an acceleration of this trend owing to consumer concerns about diet and health — particularly when the Government forces food processors to label their products with fat content, as it has said it will later this year.

In addition, sales of butter for use in manufacturing cakes and biscuits may come under further pressure.

*Implications of the Coma report on diet and cardiovascular disease for British agriculture, by Verner Wheelock and Stephen Fallows, University of Bradford, West Yorkshire. Price £4.80.*

## U.S. Farm Bill 'threatens EEC agriculture budget'

BY NANCY DUNNE IN WASHINGTON

CONGRESSIONAL passage of the Reagan Administration's farm proposals to lower U.S. grain prices could break the European Common Agricultural Policy budget, according to Mr James Provan, MEP for north-east Scotland who this wek became the first European parliamentarian in recent memory to testify before a Senate committee.

Lower American loan rates combined with a falling dollar may raise the cost of the community's export subsidies, which now comprise 40 per cent of the budget, he said.

After a series of meetings in Washington this week with Administration officials and legislators, he said: "It is all a question of what Reagan is willing to pay for the (lower) loan rates."

The U.S. payment-in-kind programme in 1983 and the strong dollar last year gave the CAP time to adjust to world surpluses, he said. However, the Administration is being "bull-headed" in insisting on a sudden drop in loan rates.

On Monday he told the Senate Agricultural Committee that Europe was "putting its own house in order" in beginning reductions of farm spending "to bring supply and demand into better balance . . ." He cited the milk quota system, reduction in cereal support prices and the sugar production quota system.

The Community has not chosen, he said, "to stop the CAP in its tracks in the eye-catching way proposed in the Farm Bill, nor do we believe that such precipitate action would be appropriate."

The U.S. and Europe must work together to avoid pursuing policies which in the end only benefit the Soviet Union, Mr Provan told the senators.

## Administering milk quotas tests ministry

By Our Commodities Staff

Administering milk production quotas has been one of the Ministry of Agriculture's largest tasks since the end of food rationing in the early 1950s, Mr Michael Jopling, the Farm Minister, said yesterday.

He said the special panels and tribunals which were set up last year to hear appeals from farmers for increased quotas had dealt with more than 33,000 cases, and put the cost of the operation in adjudicators' fees alone at £250,000. The final administrative cost is likely to be considerably higher.

Dairy producers are to learn their final quota allocations for the current marketing year, which has been extended to April 15, after Easter, but Mr Jopling made clear that none will have to pay the EEC "super-levy" on excess production.

## Canadian grain exports to fall by 25%

CANADIAN grain and oilseed exports in the 1984-85 crop year are projected to drop 25 per cent from a year ago to 23m tonnes because of drought-reduced spring crops and a highly competitive world wheat market, Reuter reports from Chicago.

But grain supplies are adequate to meet long-term grain agreements with China and the Soviet Union, and rapeseed stocks are sufficient to satisfy the needs of steady customers such as Japan, Canadian government sources said.

Last year's exports were a record 30.7m tonnes.

The Canadian Wheat Board, the government arm responsible for grain exports, aimed an aggressive buying campaign at farmers early in the season. The board expanded its buying quotas so that grain "was in position (to export) because we had a smaller crop to meet sales," said Mr Pat Old of the wheat board.

By January, farmers had delivered 60 per cent of the total grains and oilseeds to be exported, well above the pace of deliveries a year earlier, he said. That pace has since slowed.

Canada's long-term agreement with China calls for minimum sales of 3.5m tonnes of wheat and barley, while the Soviet agreement calls for about 5.5m tonnes of grain, according to Mr Craig Fulton, Agriculture Canada grains analyst.

While Canada should be able to meet those commitments easily, sales to European Community countries will probably tail off considerably. "They have a lot more of their own grain," said Mr Fulton. The European Commission recently estimated soft wheat carry-over stocks at 16m tonnes, double a year ago.

# LONDON MARKETS

HOPES of a quick settlement of the Danish nationwide strike brought an easier trend on the London pigmeat futures market yesterday. The April position closed 2p down at 108.4p a kilo.

Potato futures also lost ground shedding some of the unexpectedly high gains made on Wednesday. The April position ended the day £4 lower at £43.70 a tonne;

Cocoa and coffee remained dominated by the fluctuations in the value of sterling against the dollar. The May position in cocoa futures ranged from a high of £2,064 to a low of £2,025 before closing at £2,032.5 a tonne, only £3 down on the previous day.

## MAIN PRICE CHANGES

In tonnes unless otherwise stated

| METALS | Mar. 28 1985 | + or — | Month ago |
|---|---|---|---|
| Aluminium | £1100 | ...... | £1100 |
| Free Mkt | $1110/140 | ...... | $1155/115 |
| Copper | | | |
| Cash h Grade | £1149.5 | [illegible] | £1249.5 |
| 3 mths | £1170 | -1.75 | £1270.25 |
| Gold troy oz | $327 | -4.75 | $288.75 |
| Lead Cash | £293 | -10.5 | £321.5 |
| 3 mths | £302.25 | +0.5 | £331.75 |
| Nickel | | | |
| Free Mkt | 257/267c | -1 | 250/260c |
| Palladium oz | $114.75 | -1.5 | $114.25 |
| Platinum oz | $280.80 | -1.95 | $253.25 |
| Quicksilver† | $285/295 | ...... | $290/300 |
| Silver troy oz | 533.30p | -11.25 | 523.35p |
| 3 mths | 549.90p | -12.80 | 539.75p |
| Tin cash | £9632.5 | +74.5 | £10,100 |
| 3 mths | £9645 | +87 | £10,130 |
| Tungsten | $76.70 | ...... | $76/68 |
| Wolfram 22 04lb | $75/78 | ...... | $72/75 |
| Zinc | £765.5 | -21 | £831 |
| 3 mths | £715.75 | -18.75 | £806.5 |
| Producers | $800-940 | ...... | $800/940 |

| OILS | Mar. 28 1985 | + or — | Month ago |
|---|---|---|---|
| Coconut (Phil) | $860v | -10 | $810 |
| Palm Malayan | $660v | -15 | $610 |
| SEEDS | | | |
| Copra Phil | $510w | | $510 |
| Soyabean (U.S.) | $252.5 | | $238 |
| GRAINS | | | |
| Barley Fut. Sep | £98.45 | -0.15 | £116.55 |
| Maize | £153w | | £149.00 |
| Wheat Fut. May | £123.65 | +0.15 | £116.28 |
| No. 2 Hard Wint. | ‡ | | ‡ |
| OTHERS | | | |
| Cocoa Ft. May | £2032.5 | -3 | £2174 |
| Coffee Ft. May | £2206 | +6 | £2437.5 |
| Cotton A Index | 67.55c | | 67.85c |
| Gas Oil April | $234.75 | +1 | $225.75 |
| Rubber (kilo) | 66p | | 67p |
| Sugar (raw) | $110.5 | -1.5 | $115 |
| Wooltops 64s | 508p kilo | | 515p kilo |

‡ Unquoted. w April-May. v April. y May. x March April. † Per 76 lb flask. c Cents a pound.

## COPPER

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 1139-40 | -19.5 | 1149-50 | -2 |
| 3 months | 1161.5-2 | -17.7 | 1168.5-70.5 | -1.75 |
| Settlem't. | 1140 | -19.5 | — | — |
| Cathodes. | | | | |
| Cash | 1145-5 | -18 | 1147-50 | -7 |
| 3 months | 1156-8 | -22.5 | 1163-5 | -9 |
| settlem't. | 1145 | -19 | — | — |

Amalgamated Metal Trading reported that in the morning three months higher grade traded at £1,163, 64, 63., 62, 61.5. Standard: Cathodes: Cash £1,145, three months £1,160, 59. Kerb: Three months £1,162, 61.5, 62. Afternoon: Higher Grade: Three months £1,166, 67, 68, 69, 68.5, 68, 69, 70, 69.5, 69, 69.5, 70, 69.5, 70. Kerb: Higher Grade: Three months £1,169, 70, 69, 68.5, 68, 67.5, 67, 66, 67. Turnover: 19,250 tonnes. U.S. Producers: 67-70 cents a pound.

## TIN

| TIN | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 9550-5 | -30 | 9550-60 | +97 |
| 3 months | 9570-5 | -15 | 9650 1 | -67.5 |
| Settlem't. | 9555 | -30 | — | — |
| Standard. | | | | |
| Cash | 9550 5 | -30 | 9630-5 | +74.5 |
| 3 months | 9545-55 | -25.5 | 9640-50 | +87 |
| Settlem't. | 9555 | -30 | — | — |
| Straits. E. | $29.41 | | — | — |

Tin—Morning: Standard: Cash £9,571, 65, three months £9,580, 85, 70, 75, 70, 65, 55. High Grade: Cash £9,550, three months £9,605, 70, 65. Kerb: Standard: Three months £9,550, 55, 60, 70, 80, 9,600. Afternoon: Standard: Cash £9,630, 35, three months £9,600, 10, 20, 15, 20, 30, 40. High Grade: Three months £9,640, 50. Kerb: Three months £9,635, 30, 20, 30. Turnover: 3,500 tonnes.

## LEAD

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 293-.3 | -3.25 | 292.5-3.5 | — |
| 3 months | 301-.5 | -3 | 302-5 | +5 |
| Settlem't | 293 | -3 | — | — |

Lead—Morning: Cash £292, 91.5, three months £299, 99.5, 300, 301, 02, 01. Kerb: Three months £301. Afternoon: Three months £302, 2.5, 2. Kerb: Three months £302.5, 03, 04. Turnover: 8,475 tonnes. U.S. Spot: 18-22 cents a pound.

## ZINC

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 756-9 | -22 | 755-6 | -21 |
| 3 months | 725-6 | -12 | 718.5-6 | -18.7 |
| Settlem't | 759 | -21 | — | — |

Zinc—High Grade Official/Unofficial prices: Cash am £760-£763, pm £758-£763. Three months am £755-£757, pm £745-£748. Settlement £763. Morning: Three months £724, 25. Kerb: Standard: Three months £727. Afternoon: Three months £728, 27, 26, 25, 24, 25, 23, 22, 21, 20, 22, 21, 20, 21, 20, 17, 16.5, 15.5, 15, 15.5. Kerb: Three months £717, 19, 20, 21, 22, 21. Turnover: 15,000 tonnes. U.S. Prime Western. 45.50-45.75 cents a pound.

## ALUMINIUM

| Alumin'm | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 886-7 | -3.75 | 888.5-9.5 | +4.5 |
| 3 months | 916-7 | -5.25 | 919-.5 | +2.75 |

Aluminium—Morning: Three months £915, 16, 16.5, 17, 16.5. Kerb: Three months £917. Afternoon: Three months £919, 20, 21, 20, 19, 20, 21, 21.5, 19, 19.5, 19. Kerb: Three months £920, 19, 18, 18.5. Turnover: 13,000 tonnes.

## GOLD

Gold fell $4¼ an ounce from Wednesday's close in the London bullion market yesterday to finish at $326¾-327¼. The metal opened at $327¾-328¼ and traded between a high of $329½-330 and a low of $325-325½. The dollar's weaker trend and disappointing U.S. trade figures had prompted short covering but the dollar's recovery during the afternoon reversed the trend. Once again trading was quite nervous as it was still too early to predict whether the dollar would sustain its recent sharp decline.

GOLD BULLION (fine ounce) Mar. 28

| | | |
|---|---|---|
| Close | $326¾-327¼ | (£265½-266) |
| Opening | $327¾-328¼ | (£265½-266) |
| M'ni'g fix. | $328.75 | (£264,694) |
| Aft'n'n fix. | $326.85 | (£266,980) |

GOLD AND PLATINUM COINS

| | | |
|---|---|---|
| Kr'g'r'nd. | $337-337¾ | (£274¼-274¾) |
| ½ Krug. | $173¼-174 | (£141-141½) |
| ¼ Krug. | $88¼-89 | (£71¾-72½) |
| 1/10 Krug. | $35¾-36½ | (£29-29¾) |
| Mapleleaf | $337¼-338 | (£274½-275) |
| New Sov. | $77½-78 | (£63-63½) |
| ½ New Sov | $46¼-47 | (£37¾-38¼) |
| Old Sov. | $77-78½ | (£62½-63½) |
| $20 Eagle | $440-480 | (£358-390½) |
| Noble Plat | $288½-291¾ | (£237½-240¼) |

## SILVER

Silver was fixed 11.25p an ounce lower for spot delivery in the London bullion market yesterday at 533.3p. U.S. cent equivalents of the fixing levels were: spot 658.5c, down 2.4c; three-month 670.6c, down 2.95c; six-month 686.85c, down 2.05c; and 12-month 723.05c, down 2.1c. The metal opened at 533¾-535½p (658-661c) and closed at 533-536p.

| SILVER per troy | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 533.30p | -11.2 | 534· | — |
| 3 months | 549.90p | -12.8 | 552.7· | — |
| 6 months | 564.50p | -12.0 | — | — |
| 12 months | 594.45p | -12.8 | — | — |

LME—Turnover: 56 (49) lots of 10,000 oz.

Morning: 2nd ring three months 553, 55. Kerb: Three months 555, 54. Afternoon: 1st ring three months 553, 2nd ring three months 553. Kerb: Untraded.

## NICKEL

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| Spot | 4295-305 | -35 | 4280-90 | +15 |
| 3 months | 4325-30 | -45 | 4320-5 | +15 |

Nickel — Morning: Three months £4,330. Kerb: Three months £4,335, 40, 45. Afternoon: Three months £4,345, 40, 35, 30, 20, 30, 20, 4,290, 4,300, 10. Kerb: Three months £4,320, 30, 25. Turnover: 1,286 tonnes.

## COCOA

Contrary to expectation futures opened on a steady note and traded £30 higher before easing late in the day to close near the lows. Physical interest was restricted to light second-hand trading with producers and consumers content to stand aside, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| March | 2004-2035 | +25.0 | 2035-1986 |
| May | 2032-2033 | -3.0 | 2064-2025 |
| July | 1992-1993 | -5.0 | 2022-1990 |
| Sept. | 1967-1969 | +1.5 | 1990-1958 |
| Dec. | 1893-1896 | -2.0 | 1915-1891 |
| Mar. | 1886-1887 | -1.5 | 1905-1885 |
| May | 1885-1888 | -3.5 | 1890-1888 |

Sales: 4,951 (5,530) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for March 28: 107.44 (108.33); five-day average for March 28: 105.95 (105.44).

## COFFEE

During an active session prices moved in line with erratic sterling which initially created opening losses of £20. A sharp rally followed a retracement in sterling before values fell again to close on a weaker note but higher on the day, reports Drexel Burnham Lambert.

| COFFEE | Yesterd'ys Close | + or — | Business Done |
|---|---|---|---|
| March | 2165-70 | +15.0 | 2200-45 |
| May | 2206-10 | +6.0 | 2240-80 |
| July | 2251-55 | +9.0 | 2279-26 |
| Sept. | 2290-93 | +17.0 | 2323-60 |
| Nov. | 2318-15 | +24.5 | 2340-80 |
| Jan | 2287-90 | +11.0 | 2316-70 |
| March | 2255-60 | +13.0 | 2270-60 |

Sales: 5,451 (4,217) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for March 27: Comp. daily 1979 133.71 (133.95); 15-day average 132.71 (132.50).

## COTTON

LIVERPOOL—Spot and shipment sales amounted to 158 tonnes. Mixed operations indicated some freer involvement among spinners. Activity centred on East and West African and

## INDICES

### FINANCIAL TIMES

| Mar. 27 | Mar. 26 | M'th ago | Year ago |
|---|---|---|---|
| 294.62 | 297.58 | 295.41 | 304.64 |

(Base: July 1 1952 = 100)

### REUTERS

| Mar. 28 | Mar. 27 | M'th ago | Year ago |
|---|---|---|---|
| 1937.6 | 1953.9 | 2026.1 | 1993.7 |

(Base: September 18 1931 = 100)

### MOODY'S

| Mar. 27 | Mar. 25 | M'th ago | Year ago |
|---|---|---|---|
| 966.2 | 963.4 | 949.3 | 1,080.5 |

(Base: December 31 1931 = 100)

### DOW JONES

| Dow Jones | Mar. 27 | Mar. 26 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 120.74 | 119.56 | 117.46 | 143.95 |
| Fut. | 123.91 | 123.58 | 120.32 | 145.64 |

(Base: December 31 1974 = 100)

## GRAINS

Old crop wheat remained in thin trade. Old crop barley saw shipper selling in thin trade and closed at the day's low. New crops were again dull and values eased with selling pressure on forwards, reports Muirpace.

| Mnth | WHEAT Yesterd'ys close | + or — | BARLEY Yesterdys close | + or — |
|---|---|---|---|---|
| May | 120.05 | +0.10 | 116.55 | -0.45 |
| July | 123.65 | +0.15 | — | — |
| Sept. | 98.55 | ...... | 98.45 | -0.15 |
| Nov | 101.70 | -0.10 | 102.00 | -0.50 |
| Jan | 106.05 | -0.20 | 105.25 | -0.25 |

Business done—Wheat: May 120.10-19.90, July 123.70-3.45, Sept 98.55-8 40, Nov 101.80-1.75, Jan 105.20-5.05. Sales: 276 lots of 100 tonnes. Barley: May 117.00-6.55, Sept 98.60-8.50, Nov and Jan untraded. Sales: 104 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 15 per cent March 159 60, April-May 151.80, June 150.30, July 150.40 transhipment East Coast. U.S. No. 2 Soft Red Winter May 151.50, July 133.75, Aug 134.75 transhipment East Coast. EC French July 119 cif free out South-west Coast. English Feed fob April 122, April-June 123.75, Aug-Sept 99.50, Sept 99.00, Oct-Dec 104.50 sellers East Coast. Maize: U.S. No. 3 Yellow/French transhipment East Coast March-April 152. Barley: English Feed fob April 119.25, Sept 101. Oct-Dec 104.50 sellers East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 114.60, W. Mids 112.50, N. West 113.70. The UK monetary coefficient for the week beginning Monday, April 1, will change to 1.000.

## PIGMEAT

Expectations that the Danish strike would be settled shortly encouraged long liquidation particularly in the spot April contract which expires next week, reports CCST Commodities.

| Month | Yesterdays close | Previous close | Business done |
|---|---|---|---|
| | p. per kilo (deadweight) | | |
| April | 108.40 | 110.40 | 110.00-107.60 |
| June | 106.90 | 107.20 | 107.80-106.40 |
| Aug. | 102.50 | 103.00 | 102.30-102.20 |
| Oct. | 108.20 | 108.20 | 108.30-108.00 |
| Nov. | 109.30 | 109.60 | 109.50-109.00 |
| Feb. | 100.30 | 100.30 | — |

Sales: 132 (27) lots of 50 carcases, 3,250 kg.

## POTATOES

Old crop prices fell after a nervous start and closed near the lows. New crops were quiet, easing slightly, reports Coley and Harper.

| Month | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | 43.60 | 47.50 | 47.10-43.00 |
| May | 51.40 | 54.50 | 54.50-51.20 |
| Nov. | 74.00 | 74.50 | 74.00-73.50 |
| Feb. | 82.50 | 83.00 | — |
| Apr. | 99.00 | 99.20 | 99.50-9.900 |

Sales: 747 (1,184) lots of 40 tonnes.

## OIL

In thin trading April Brent was stable to firm but May weakened about 10c. Other crudes were neglected. Nymex WTI traded during the morning within a 40c range either side of Wednesday's close. In the petroleum products market gas oil continued to slowly firm on prompt demand and tight supply but underlying uncertainty over market direction continued to inhibit buyers. The weaker dollar encouraged end-user inquiries for heavy fuel but only real identifiable demand has been from short-coverers—Petroleum Argus, London.

SPOT PRICES

| CRUDE OIL—FOB ($ per barrel)— April | Latest | Change + or — |
|---|---|---|
| Arab Light | 27.75-27.85 | — |
| Arab Heavy | 26.50-26.60 | — |
| Dubai | 27.10-27.20 | — |
| Brent Blend | 28.05-28.15 | +0.05 |
| W.T.I. (1pm est) | 28.20-28.30* | -0.10 |
| Forcados (Nigeria) | 28.00-28.20 | — |
| Urals. (cif NWE) | — | — |
| PRODUCTS—North West Europe Prompt delivery cif ($ per tonne) | | |
| Premium gasoline | 256-268 | +2 |
| Gas Oil | 236-240 | — |
| Heavy fuel oil | 156-159 | — |

* May

Petroleum Argus estimates

GAS OIL FUTURES

| Month | Yest'day's Close | + or — | |
|---|---|---|---|
| | $ U.S. per tonne | | |
| March | 244.00 | ...... | 244.00-42.00 |
| April | 234.75 | +1.00 | 235.00-32.50 |
| May | 231.25 | +1.50 | 232.00-29.00 |
| June | 226.00 | -0.25 | 226.50-26.50 |
| July | 225.50 | -1.75 | 227.00 |
| Aug | 227.00 | -1.50 | — |
| Sep | 231.50 | +1.50 | — |

Turnover: 1,676 (2,110) lots of 100 tonnes.

## RUBBER

PHYSICALS — The London market opened slightly easier, moved erratically throughout the day and closed uncertain, reports Lewis and Peat. Closing prices (buyers): spot 66.00p (same): May 72.50p (same); June 73.25p (same).

## SOYABEAN MEAL

The market opened 50p to £1 lower in very active conditions, reports T. G. Roddick. Options contributed a high proportion of the volume.

| | Yesterday close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | — | ...... | — |
| June | 135.5-134.5 | -0.60 | 134.0-133.5 |
| August | 133.5-134.0 | -0.25 | 134.0-133.0 |
| October | 137.5-138.0 | -0.50 | 138.0-137.0 |
| Dec. | 143.0-144.0 | -0.25 | — |
| Feb. | 146.5-148.5 | ...... | — |
| Apr. | 149.5-150.8 | -0.35 | 150.3 |

Sales: 967 (519) lots of 20 tonnes.

## SUGAR

LONDON DAILY PRICE—Raw sugar $110.50 (£89.00), down $1.50 (down £4.00) a tonne for March-April-May delivery. White sugar $134.50, down 50c.

Prices showed only marginal fluctuations over the day, reports C. Czarnikow.

| No. 6 Contract | Yest'day's close | Previous close | Business done |
|---|---|---|---|
| | $ per tonne | | |
| May | 112.4-112.6 | 115.0-115.2 | 114.0-112.0 |
| Aug | 115.4-115.6 | 118.8-117.0 | 119.0-115.2 |
| Oct | 119.2-119.4 | 120.0-121.0 | 121.8-119.0 |
| Dec. | 125.0-126.5 | 126.2-127.8 | 126.0-126.0 |
| Mar | 138.8-138.2 | 140.0-140.8 | 141.6-137.4 |
| May | 143.0-143.2 | 145.2-145.8 | 146.0-144.0 |
| Aug | 149.0-149.0 | 149.6-151.0 | 151.0-150.4 |

Sales: 2,142 (1,767) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £199.50 (£203.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for March 27: Daily price 3.84 (3.83); 15-day average 3.81 (3.82).

# U.S. MARKETS

PRECIOUS METALS were higher much of the day but lost all their gains and turned lower on late profit-taking and aggressive local selling, reports Heinold Commodities. Copper remained unchanged to lower with fluctuations geared to changes in sterling. Aluminium traded nominally lwore as traders were reluctant to commit themselves in light trading and resorted to arbitrage sellong on foreign currency weakness. Cotton rallied on late short-covering as major trading houses protected themselves against tight spot supplies. Sugar declined as trade selling triggered stop-loss selling; there was continued uncertainty regarding rumoured Indian purchases. Coffee moved slightly lower as techcal considerations dominated the market in the absence of roaster interest. Cocoa was mostly flat to slightly lower on scattered light producer selling.

## NEW YORK

ALUMINIUM 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 48.90 | — | — | 49.10 |
| May | 49.30 | 49.50 | 49.20 | 49.50 |
| July | 50.15 | 50.25 | 50.05 | 50.30 |
| Sept | 51.00 | 51.00 | 51.00 | 51.15 |
| Dec | 52.25 | — | — | 52.40 |
| Jan | 52.65 | — | — | 52.80 |
| March | 53.45 | — | — | 53.60 |
| May | 54.25 | — | — | 54.40 |
| July | 55.05 | — | — | 55.20 |

COCOA 10 tonnes, $/tonnes

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| May | 2450 | 2463 | 2425 | 2449 |
| July | 2255 | 2270 | 2238 | 2261 |
| Sept | 2225 | 2240 | 2215 | 2229 |
| Dec | 175 | 2181 | 2160 | 2175 |
| March | 2175 | 2175 | 2160 | 2180 |
| May | — | — | — | 2180 |
| July | — | — | — | 2180 |

COFFEE "C" 37,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 142.55 | 43.40 | 42.20 | 43.03 |
| July | 142.69 | 43.65 | 42.25 | 43.19 |
| Sept | 142.60 | 43.40 | 42.20 | 42.99 |
| Dec | 142.25 | 42.90 | 41.60 | 42.25 |
| March | 142.00 | 41.75 | 40.75 | 41.60 |
| May | 141.25 | 41.00 | 41.00 | 40.63 |
| July | 140.25 | 40.50 | 40.50 | 39.51 |

COPPER 25,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 61.55 | 61.70 | 61.25 | 61.75 |
| May | 62.00 | 62.35 | 61.70 | 62.15 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

COTTON 50,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 67.18 | 67.48 | 66.99 | 67.05 |
| July | 66.00 | 66.17 | 65.50 | 65.58 |
| Oct | 65.51 | 65.48 | 65.30 | 65.30 |
| Dec | 65.61 | 65.72 | 65.35 | 65.38 |
| March | 66.73 | 66.85 | 66.70 | 66.66 |
| May | 67.50 | 67.40 | 67.35 | 67.20 |
| July | 67.70 | — | — | 67.50 |

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| May | 28.22 | 28.36 | 27.97 | 28.16 |
| June | 27.84 | 27.93 | 27.58 | 27.73 |
| July | 27.63 | 27.72 | 27.37 | 27.82 |
| August | 27.59 | 27.65 | 27.32 | 27.40 |
| Sept | 27.51 | 27.60 | 27.25 | 27.29 |
| Oct | — | — | — | 27.46 |
| Nov | 27.50 | 27.70 | 27.50 | 27.53 |
| Dec | 27.50 | 27.60 | 27.35 | 27.54 |
| Jan | 27.36 | — | — | 27.54 |
| Feb | 27.35 | — | — | 27.54 |

GOLD 100 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 326.8 | 328.2 | 324.0 | 327.8 |
| May | 329.1 | — | — | 330.1 |
| June | 331.4 | 332.9 | 328.0 | 332.4 |
| August | 336.1 | 337.5 | 333.0 | 337.2 |
| Oct | 341.2 | 341.7 | 340.0 | 342.3 |
| Dec | 346.7 | 348.8 | 344.0 | 347.9 |
| Feb | 352.5 | 353.0 | 351.2 | 353.7 |
| April | 358.3 | — | — | 359.5 |
| June | 364.5 | 365.4 | 365.4 | 365.8 |
| August | 370.9 | 371.5 | 371.5 | 372.2 |
| Oct | 377.6 | 378.8 | 378.8 | 378.9 |
| Dec | 384.6 | 385.5 | 385.5 | 385.9 |

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| April | 80.25 | 82.20 | 80.10 | 81.72 |
| May | 76.25 | 77.20 | 75.90 | 76.67 |
| June | 74.00 | 74.80 | 73.50 | 74.00 |
| July | 73.30 | 73.70 | 72.60 | 73.05 |
| August | 73.65 | 73.65 | 73.00 | 73.56 |
| Sept | 74.50 | 74.55 | 73.70 | 74.23 |

ORANGE JUICE 15,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 161.40 | 62.70 | 61.25 | 62.30 |
| Sept | 161.80 | 62.70 | 61.90 | 62.75 |
| Nov | 161.00 | 61.00 | 60.50 | 61.25 |
| Jan | 160.75 | 61.00 | 60.30 | 60.75 |
| March | 161.00 | — | — | 61.00 |
| May | 161.25 | — | — | 61.25 |
| July | 161.25 | — | — | 61.25 |

PLATINUM 50 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 277.0 | 279.5 | 275.0 | 275.8 |
| July | 282.0 | 285.0 | 280.0 | 280.6 |
| Oct | 288.0 | 291.0 | 286.5 | 286.6 |
| Jan | 294.5 | 295.0 | 294.0 | 293.1 |
| April | 301.8 | — | — | 300.6 |

SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 658.2 | 656.0 | 656.0 | 660.8 |
| May | 662.0 | 669.5 | 655.5 | 665.0 |
| July | 671.6 | 679.0 | 665.0 | 674.8 |
| Sept | 682.5 | 687.5 | 677.0 | 685.9 |
| Dec | 700.1 | 705.5 | 694.0 | 703.8 |
| Jan | 706.2 | — | — | 710.0 |
| March | 718.2 | 725.0 | 715.0 | 722.3 |
| May | 731.4 | 735.0 | 730.0 | 735.8 |
| July | 744.9 | 741.0 | 741.0 | 749.6 |

SUGAR WORLD "11" 112,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | [illegible] | [illegible] | [illegible] | 3.90 |
| July | [illegible] | [illegible] | [illegible] | 4.08 |
| Sept | [illegible] | [illegible] | [illegible] | 4.23 |
| Oct | [illegible] | [illegible] | [illegible] | 4.32 |
| Jan | [illegible] | [illegible] | [illegible] | 4.90 |
| March | [illegible] | [illegible] | [illegible] | 5.27 |
| May | [illegible] | [illegible] | [illegible] | 5.53 |
| July | [illegible] | [illegible] | [illegible] | 5.76 |

## CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 64.47 | 64.60 | 63.87 | 63.87 |
| June | 66.87 | 67.27 | 66.90 | 67.05 |
| August | 66.25 | 66.57 | 66.20 | 66.50 |
| Oct | 64.07 | 64.30 | 64.05 | 64.15 |
| Dec. | 65.22 | 65.35 | 65.02 | 65.25 |
| Feb | 65.65 | 65.80 | 65.65 | 65.65 |
| April | 67.07 | 67.07 | 67.02 | 67.05 |

LIVE HOGS 30,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 45.15 | 46.70 | 45.05 | 45.82 |
| June | 50.55 | 51.10 | 50.47 | 51.10 |
| July | 52.27 | 52.70 | 52.10 | 52.65 |
| August | 52.35 | 52.65 | 52.22 | 52.60 |
| Oct | 48.65 | 48.70 | 48.55 | 48.95 |
| Dec | 49.46 | 49.70 | 49.35 | 49.55 |
| Feb | 49.70 | 49.95 | 49.70 | 49.70 |
| April | 47.30 | 47.30 | 46.45 | 46.75 |
| June | 48.85 | 48.85 | 48.77 | 49.05 |

MAIZE 5,000 bu min, cents/56-lb bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 279.6 | 280.0 | 278.6 | 279.4 |
| July | 280.0 | 280.0 | 278.6 | 280.0 |
| Sept | 271.0 | 271.0 | 270.0 | 271.0 |
| Dec | 265.2 | 265.4 | 264.4 | 265.0 |
| March | 273.6 | 274.2 | 273.0 | 273.4 |
| May | 280.4 | 280.4 | 279.2 | 280.2 |
| July | 283.2 | 283.2 | 281.4 | 283.0 |

PORK BELLIES 38,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 73.90 | 74.20 | 73.27 | 74.00 |
| July | 74.22 | 74.47 | 73.90 | 74.32 |
| August | 72.55 | 73.00 | 72.47 | 72.95 |
| Feb | 75.75 | 75.75 | 74.80 | 75.70 |
| March | 75.30 | 75.60 | 74.30 | 75.15 |
| May | 75.35 | 75.56 | 74.40 | 75.20 |
| July | 75.10 | 75.25 | 74.50 | 75.10 |

SOYABEANS 5,000 bu min, cents/60-lb bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 607.2 | 608.4 | 604.0 | 606.0 |
| July | 616.6 | 617.2 | 613.0 | 617.4 |
| August | 618.0 | 618.2 | 614.4 | 618.4 |
| Sept | 612.4 | 612.4 | 608.0 | 612.0 |
| Nov | 613.6 | 613.8 | 609.2 | 613.4 |
| Jan | 624.4 | 624.4 | 620.8 | 624.4 |
| March | 635.0 | 635.0 | 631.4 | 635.0 |
| May | 643.0 | 643.0 | 639.4 | 643.0 |
| July | 649.0 | 649.0 | 646.0 | 649.0 |

SOYABEAN MEAL 100 tons, $/ton

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 138.4 | 139.1 | 137.6 | 139.0 |
| July | 144.5 | 145.0 | 143.6 | 145.1 |
| August | 147.5 | 147.8 | 146.6 | 148.1 |
| Sept | 149.8 | 150.5 | 149.3 | 150.5 |
| Oct | 152.5 | 153.0 | 151.5 | 153.2 |
| Dec | 157.4 | 158.0 | 156.3 | 158.3 |
| Jan | 159.5 | 160.0 | 159.3 | 160.5 |
| March | 164.5 | — | — | 166.0 |

SOYABEAN OIL 60,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 30.09 | 30.20 | 29.58 | 30.03 |
| July | 28.42 | 28.60 | 28.10 | 28.43 |
| August | 27.42 | 27.60 | 27.15 | 27.43 |
| Sept | 26.65 | 26.70 | 26.35 | 26.65 |
| Oct | 25.75 | 25.90 | 25.60 | 25.65 |
| Dec | 25.07 | 25.10 | 24.75 | 24.87 |
| Jan | 24.88 | 24.80 | 24.80 | 24.63 |
| March | 24.60 | 24.60 | 24.40 | 24.50 |

WHEAT 5,000 bu min, cents/60-lb bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 357.4 | 358.6 | 355.2 | 359.2 |
| July | 334.4 | 335.6 | 333.0 | 335.9 |
| Sept | 333.4 | 334.4 | 332.4 | 334.4 |
| Dec | 344.4 | 345.0 | 343.2 | 344.6 |
| March | 349.6 | 350.4 | 349.0 | 350.4 |
| May | 346.4 | — | — | 347.0 |

# OTHER MARKETS

## WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 470, 481, nil; May 500, 506, 508-506; Aug 530, 531, 533-531; Oct 532, [illegible]; Dec [illegible] 537-535; Jan 536, 537, 540-537; March 545, 547, 548-546; May 550, 562, 556-552; Aug 556, 568, 566-567. Sales: 40.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 610.0, 620.0, 608.0-605.0; July 611.0, 614.0, 614.0-610.0; Oct 590.0, 605.0, 602.0-597.0; Dec 591.0; [illegible]; March 607.0, 615.0, 615.0; May 610.0, 621.0, nil; July 617.0, 622.0, nil; Oct 615.0, 630.0, nil. Sales: 39.

## MEAT

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 74.0-81.0; English hindquarters 82.0-88.0, forequarters 50.0-54.0. Veal—Dutch hinds and ends 124.0-127.0. Lamb—English small 88.0-95.0, medium 86.0-90.0, heavy 84.0-86.0. Scotch heavy 80.0-85.0; Imported: New Zealand PL (new season) 68.0-69.5, PX (new season) 64.5-65.5. Pork—English under 100 lb 48.0-59.0, 100-120 lb 51.0-56.0, 120-160 lb 46.0-49.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle, 95.33p per kg lw (+0.13). GB—Sheep, 226.08p per kg est dcw (+1.61). GB—Pigs, 81.74p per kg lw (-1.47).

## ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. No. 2 Soft Red Winter May 170, July 148, Aug 149, Sept 150. U.S. No. 2 Northern Spring 14 per cent protein April-May 167.50, May 167, June 167, July 166.50, Aug 166.50, Sept 166. U.S. No. 2 Soft Red Winter May 170, July 148, Aug 149, Sept 150. U.S. No. 2 Northern Spring 14 per cent protein April-May 167.50, May 167, June 167, July 166.50, Aug 166.50, Sept 166.

MAIZE—(U.S. $ per tonne): U.S. No. 3 Yellow spot 139, April 134.75, May 134.25, June 134.50, July 134.75, July-Sept 134.75, Oct-Dec 128.50 sellers. Argentine Plate afloat 136, March 134, April 131, May-June 131.50 sellers.

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar recovers on higher rates

A rise in U.S. Federal fund rates helped the dollar recover some of the ground lost earlier in the day although once again trading remained erratic and nervous. Technical considerations brought about by the proximity of the month and quarter end tended to overshadow the release of U.S. trade figures for February which showed a deficit of $11.45bn.

Initially the dollar lost ground in thin trading to touch a low of DM 3.1010 against the D-mark. Trading remained thin but interest in the U.S. unit picked up after the opening of New York and it rose to finish at DM 3.1295, up from DM 3.1250 on Wednesday. It was also firmer against the yen at Y253.00 from Y251.85 and FFr 9.5475 from FFr 9.5450. It eased slightly against the Swiss franc to SwFr 2.6475 from SwFr 2.6485. On Bank of England figures, the dollar's index fell to 146.9 from 147.3.

Data likely to provide some clue as to the direction of the U.S. economy include U.S. economic indicators, due for release today.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.0525. February average 1.0933. Exchange rate index fell to 77.5 from 77.6, having touched a best level in the morning of 78.5 and a low in the afternoon of 76.8. The six months ago figure was 76.6.

Sterling opened on a very firm note but eased back after a half point cut in some UK clearing banks' base rates to 13 per cent. Nevertheless, UK interest rates still provided an attractive real return and the pound finished the day some way above the day's lows.

Against the dollar it touched a high of $1.2475 but was driven down to a low of $1.2060 before recovering to finish at $1.2280, a fall of 1.1 cents. Against the D-mark it fell to DM 3.8425 from DM 3.8750 and SwFr 3.2500 compared with SwFr 3.2700. It was also weaker in terms of the yen at Y310.50 fom Y312.50 and FFr 11.7275 from FFr 11.84.

D-MARK — Trading range against the dollar in 1984-85 is 3.4510 to 2.5535. February average 3.3088. Exchange rate index 121.2 against 121.1 six months ago.

The dollar was fixed at DM 3.1195 at yesterday's fixing in Frankfurt, down from DM 3.1623 on Wednesday, and there was no intervention by the Bundesbank.

It recovered during the afternoon, however, in reaction to its recent sharp decline and short covering boosted it to a closing level of DM 3.1305, still down from DM 3.1490 previously. A higher U.S. trade deficit in February restricted the extent of any recovery. There was little reaction to the Bundesbank's decision to leave credit policies and key lending rates unchanged after the regular fortnightly meeting of the central council. Sterling fell after a cut in UK base rates but still closed slightly up from Wednesday at DM 3.8370.

### £ in New York

| | March 28 | prev. close |
|---|---|---|
| £ Spot | $1.2260-1.2290 | $1.1880-1.1885 |
| 1 month | 0.53-0.50pm | 0.53-0.52pm |
| 3 months | 1.19-1.14pm | 1.24-1.21pm |
| 12 months | 1.60-1.55pm | 1.62-1.66pm |

Forward premiums and discounts apply to the U.S. dollar.

### STERLING EXCHANGE RATE INDEX

| | March 28 | Previous |
|---|---|---|
| 8.30 am | 78.2 | 76.6 |
| 9.00 am | 78.5 | 76.6 |
| 10.00 am | 78.3 | 77.0 |
| 11.00 am | 78.0 | 76.8 |
| Noon | 77.6 | 77.0 |
| 1.00 pm | 77.4 | 77.1 |
| 2.00 pm | 77.4 | 77.2 |
| 3.00 pm | 76.8 | 77.5 |
| 4.00 pm | 77.5 | 77.6 |

### EMS EUROPEAN CURRENCY UNIT RATES

| | Ecu central rates | Currency amounts against Ecu March 28 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 44.9008 | 44.9512 | +0.11 | +0.11 | ±1.5522 |
| Danish Krone | 8.14104 | 7.99005 | −1.85 | −1.85 | ±1.6419 |
| German D-Mark | 2.24184 | 2.23608 | −0.26 | −0.26 | ±1.1475 |
| French Franc | 6.87456 | 6.82447 | −0.73 | −0.73 | ±1.3689 |
| Dutch Guilder | 2.52595 | 2.52380 | −0.09 | −0.09 | ±1.5171 |
| Irish Punt | 0.72569 | 0.716422 | −1.28 | −1.28 | ±1.6703 |
| Italian Lira | 1403.49 | 1432.12 | +2.04 | +2.04 | ±4.0410 |

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### POUND SPOT—FORWARD AGAINST POUND

| March 28 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.2060-1.2475 | 1.2275-1.2285 | 0.51-0.48c pm | 4.84 | 1.20-1.15pm | 3.83 |
| Canada | 1.6630-1.7070 | 1.6800-1.6850 | 0.43-0.35c pm | 2.78 | 0.99-0.85pm | 2.19 |
| Nethlnd. | 4.27½-4.38¼ | 4.32-4.33 | 2⅝-2¼c pm | 6.76 | 6⅝-6½pm | 6.07 |
| Belgium | 76.18-78.87 | 77.00-77.10 | 25-20c pm | 3.50 | 56-46pm | 2.62 |
| Denmark | 13.60¼-13.90½ | 13.70-13.71 | 3½-2ore pm | 2.41 | 7⅝-5⅞pm | 1.97 |
| Ireland | 1.2165-1.2422 | 1.2270-1.2280 | 0.05p pm-0.11d | −0.29 | 0.11pm-.33d | −0.36 |
| W. Ger. | 3.78½-3.89 | 3.83¾-3.84½ | 2⅞-2⅛pf pm | 8.00 | 6⅞-6⅛pm | 7.03 |
| Portugal | 214-220½ | 215-218 | 165-535c dis | −19.12 | 530-1520d | −18.94 |
| Spain | 212-217 | 213-214 | 25-5c pm | 0.84 | par-30dis | −0.28 |
| Italy | 2,423-2,484½ | 2,451½-2,452½ | par-3 lire dis | −0.73 | 8-12dis | −1.63 |
| Norway | 10.98½-11.15 | 11.05¼-11.06¼ | 1¾-¼ore pm | 1.09 | 1½-½pm | 0.34 |
| France | 11.58½-11.89 | 11.72¼-11.73¼ | 3½-2¼c pm | 3.13 | 6½-5½pm | 2.05 |
| Sweden | 10.98½-11.17¼ | 11.05¼-11.06¼ | 1ore pm-½ dis | −0.27 | 1-2¼dis | −0.68 |
| Japan | 305½-315¼ | 310-311 | 1.95-1.85y pm | 7.38 | 5.12-4.99pm | 6.51 |
| Austria | 26.70-27.30 | 26.90-27.00 | 16½-14½gro pm | 6.89 | 42-38¼pm | 5.98 |
| Switz. | 3.20¾-3.28¼ | 3.24½-3.25½ | 2⅛-2⅛c pm | 8.64 | 6-5⅞pm | 7.31 |

Belgian rate is for convertible francs. Financial franc 77.55-77.65. Six-month forward dollar 1.52-1.47c pm, 12-month 1.65-1.50c pm.

### DOLLAR SPOT—FORWARD AGAINST DOLLAR

| March 28 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.2060-1.2475 | 1.2275-1.2285 | 0.51-0.48c pm | 4.84 | 1.20-1.15pm | 3.83 |
| Ireland† | 0.9915-1.0045 | 0.9970-0.9985 | 0.48-0.38c pm | 5.15 | 1.20-0.90pm | 4.19 |
| Canada | 1.3653-1.3728 | 1.3707-1.3727 | 0.22-0.25c dis | −2.06 | 0.56-0.61dis | −1.71 |
| Nethlnd. | 3.5000-3.5510 | 3.5300-3.5310 | 0.61-0.58c pm | 2.03 | 2.02-1.97pm | 2.27 |
| Belgium | 62.41-63.15 | 62.85-62.95 | 9½-10½c dis | −1.91 | 25-27dis | −1.66 |
| Denmark | 11.10-11.24 | 11.15½-11.16½ | 1¾-2¼ore dis | −2.16 | 4¼-4¾dis | −1.62 |
| W. Ger. | 3.1010-3.1460 | 3.1290-3.1300 | 0.83-0.78pf pm | 3.10 | 2.55-2.50pm | 3.25 |
| Portugal | 176-179 | 176-178 | 200-600c dis | −23.73 | 600-1400d | −22.60 |
| Spain | 172.72-174.80 | 174.00-174.25 | 55-65c dis | −4.15 | 160-185dis | −3.98 |
| Italy | 1,982-2,012 | 1,996½-1,997½ | 10-10½ lire dis | −6.15 | 28-28½dis | −5.68 |
| Norway | 8.91½-9.03½ | 9.00¼-9.00¾ | 2¾-3¼ore dis | −4.02 | 7¼-7¾dis | −3.35 |
| France | 9.47-9.59 | 9.54½-9.55 | 1.55-1.65c dis | −2.02 | 4.25-4.50dis | −1.84 |
| Sweden | 8.90½-9.06 | 9.00¼-9.00¾ | 3-3½ore dis | −4.35 | 9¼-9¾dis | −4.23 |
| Japan | 251.60-253.35 | 252.95-253.05 | 0.55-0.51y pm | 2.52 | 1.76-1.71pm | 2.76 |
| Austria | 21.82-22.08½ | 22.00-22.05 | 4¼-3½gro pm | 2.13 | 13-11pm | 2.19 |
| Switz. | 2.6200-2.6650 | 2.6470-2.6480 | 0.84-0.79c pm | 3.70 | 2.29-2.24pm | 3.43 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.15-63.25.

### OTHER CURRENCIES

| Mar. 28 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 413.16-414.21 | 336.45-336.75 | Austria | 27.00-27.30 |
| Australia Dollar | 1.7445-1.7485 | 1.4215-1.4235 | Belgium | 77.60-78.40 |
| Brazil Cruzeiro | 5,379-5,412 | 4,380-4,400 | Denmark | 13.78-13.92 |
| Finland Markka | 7.9420-7.9790 | 6.5300-6.5520 | France | 11.68-11.80 |
| Greek Drachma | 164.12-167.50 | 134.29-137.00 | Germany | 3.84-3.88 |
| Hong Kong Dollar | 9.5660-9.5760 | 7.7965-7.7985 | Italy | 2455-2490 |
| Iran Rial | 111.10* | 94.60* | Japan | 313-316 |
| Kuwait Dinar (KD) | 0.3700-0.3720 | 0.30285-0.30295 | Netherlands | 4.33-4.37 |
| Luxembourg Fr | 77.00-77.10 | 62.85-62.95 | Norway | 11.06-11.17 |
| Malaysia Dollar | 3.0920-3.1120 | 2.5260-2.5360 | Portugal | 214-230 |
| New Zealand Dlr. | 2.6200-2.6500 | 2.1690-2.1835 | Spain | 209-218 |
| Saudi Arab Riyal | 4.4100-4.4300 | 3.6060-3.6070 | Sweden | 11.07-11.18 |
| Singapore Dollar | 2.7200-2.7400 | 2.2170-2.2270 | Switzerland | 3.24½-3.28½ |
| Sth African Rand | 2.3115-2.3385 | 1.9230-1.9305 | United States | 1.22-1.24 |
| U.A.E. Dirham | 4.4895-4.5115 | 3.6720-3.6730 | Yugoslavia | 268-325 |

* Selling rate.

### CURRENCY MOVEMENTS

| Mar. 28 | Bank of England Index | Morgan Guaranty Change % |
|---|---|---|
| Sterling | 77.5 | −11.8 |
| U.S. dollar | 146.9 | +39.3 |
| Canadian dollar | 88.1 | −6.7 |
| Austrian schilling | 111.5 | +4.8 |
| Belgian franc | 89.1 | −10.8 |
| Danish Kroner | 77.4 | −8.1 |
| Deutsche mark | 121.2 | +6.5 |
| Swiss franc | 137.3 | +6.7 |
| Guilder | 111.7 | +3.0 |
| French franc | 65.5 | −15.8 |
| Lira | 45.0 | −17.2 |
| Yen | 154.7 | +11.0 |

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| Mar. 27 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | — | 0.803358 | 0.584519 |
| U.S. $ | 8 | 0.987327 | 0.717497 |
| Canadian $ | 11.18 | * | 0.980818 |
| Austria Sch. | 4½ | 21.6247 | 15.6845 |
| Belgian Fr | 11 | 61.7919 | 44.9512 |
| Danish Kr | 7 | 10.9801 | 8.99005 |
| Dmark | 4½ | 3.07997 | 2.23608 |
| Guilder | 5½ | 3.47045 | 2.52380 |
| French Fr | 9½ | 9.37961 | 6.82447 |
| Lira | 15½ | 1996.14 | 1432.12 |
| Yen | 5 | 250.090 | 180.859 |
| Norway Kr | 8 | 8.82670 | 6.43918 |
| Span'h Pta | — | 171.412 | 124.450 |
| Swedish K | 9 | 8.80943 | 6.45030 |
| Swiss Fr | 4 | 2.61000 | 1.89563 |
| Greek Dr'ch | 20½ | 133.393 | 96.7760 |
| Irish Punt | 12¾ | 0.985848 | 0.716422 |

* CS/SDR rate for March 28: 1.34041.

### EXCHANGE CROSS RATES

| Mar. 28 | Pound St'rling | U.S. Dollar | Deutschem'k | J'panese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.228 | 3.843 | 310.5 | 11.73 | 3.250 | 4.325 | 2452. | 1.683 | 77.05 |
| U.S. Dollar | 0.814 | 1. | 3.130 | 253.0 | 9.548 | 2.648 | 3.531 | 1997. | 1.370 | 62.90 |
| Deutschemark | 0.260 | 0.320 | 1. | 80.81 | 3.052 | 0.846 | 1.126 | 638.1 | 0.438 | 20.05 |
| Japanese Yen 1,000 | 3.221 | 3.955 | 12.38 | 1000. | 37.77 | 10.47 | 13.93 | 7897. | 5.419 | 248.1 |
| French Franc 10 | 0.853 | 1.047 | 3.276 | 264.8 | 10. | 2.771 | 3.688 | 2091. | 1.435 | 65.70 |
| Swiss Franc | 0.308 | 0.378 | 1.182 | 95.54 | 3.608 | 1. | 1.331 | 754.5 | 0.518 | 23.71 |
| Dutch Gilder | 0.231 | 0.284 | 0.888 | 71.79 | 2.712 | 0.751 | 1. | 566.9 | 0.389 | 17.82 |
| Italian Lira 1000 | 0.408 | 0.501 | 1.567 | 126.6 | 4.783 | 1.325 | 1.764 | 1000. | 0.686 | 31.42 |
| Canadian Dollar | 0.594 | 0.730 | 2.284 | 184.5 | 6.970 | 1.932 | 2.571 | 1457. | 1. | 45.79 |
| Belgian Franc 100 | 1.298 | 1.594 | 4.987 | 403.0 | 15.22 | 4.218 | 5.613 | 3182. | 2.184 | 100. |

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Mar. 28 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Krone |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short-term | 14-14¼ | 8 11/16-8 13/16 | 9¼-10¼ | 5⅝-5¾ | 1⅞-2⅛ | 5⅝-5¾ | 10⅛-10⅝ | 13¼-14¼ | 10⅛-10⅜ | 10-10¼ | 6¾-7 | 11¼-12 |
| 7 day's notice | 13⅝-13⅞ | 8⅝-8¾ | 9¼-10⅜ | 5⅝-5¾ | 2⅞-3⅛ | 5⅝-5¾ | 10⅛-10⅝ | 14⅛-15⅛ | 10-10¼ | 10¼-10½ | 6 7/16-6 9/16 | 10⅞-11⅞ |
| Month | 13⅝-13¾ | 8¾-8⅞ | 10 1/16-10 7/16 | 6 1/16-6 3/16 | 5¼-5⅜ | 5 11/16-5 13/16 | 10 7/16-10 11/16 | 14¼-14¾ | 10⅜-10⅝ | 10⅜-10⅝ | 6¼-6⅜ | 11½-12 |
| Three months | 13 7/16-13 9/16 | 9 1/16-9 3/16 | 10⅝-10⅞ | 6⅞-7 | 5⅝-5¾ | 5⅞-6 | 10 11/16-10 15/16 | 14⅝-15⅛ | 10⅜-10⅝ | 10⅜-10⅝ | 6¼-6⅜ | 11¼-11¾ |
| Six months | 12⅝-12⅞ | 9⅝-9¾ | 10⅞-11⅛ | 6 15/16-7 1/16 | 5⅝-5¾ | 6 1/16-6 3/16 | 11¼-11⅜ | 15-15⅝ | 10½-10¾ | 10½-10¾ | 6 7/16-6 9/16 | 11-11½ |
| One year | 12 7/16-12 9/16 | 10 5/16-10 7/16 | 11 1/16-11 3/16 | 7-7⅛ | 5 7/16-5 9/16 | 6¼-6⅜ | 11 11/16-11 13/16 | 15⅝-16⅛ | 10¾-11 | 10¾-11 | 6 7/16-6 9/16 | 11⅛-11⅝ |

Asian $ (closing rates in Singapore): Short-term 8⅞-9 per cent; seven days 8 9/16-8 11/16 per cent; one-month 8 11/16-8 13/16 per cent; three months 9 1/16-9 3/16 per cent; six months 9⅝-9¾ per cent; one year 10¼-11⅛ per cent. Long-term Eurodollars: two years 11¼-11⅝ per cent; three years 11⅝-11⅞ per cent; four years 11⅞-12¼ per cent; five years 12⅛-12½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen: two others two days' notice.

## FINANCIAL FUTURES

# Eurodollars strong

Eurodollar futures opened firm on the London International Financial Futures Exchange yesterday. Wednesday's U.S. Treasury auction was more successful than feared, but after opening at 89.98 for June delivery, the contract failed to consolidate above 90.00 in early trading. Selling was seen from U.S. commission houses, but in the afternoon the price rose quite sharply, possibly encouraged by intervention from the Federal Reserve, adding liquidity to the New York banking system. Some dealers were also reasonably satisfied with the U.S. trade deficit of $11.45bn in February, but others anticipated little worse than the January figure of $10.3bn. June Eurodollars closed almost at the day's high, at 90.11, compared with 89.94 previously.

U.S. Treasury bond futures moved in a similar way to Eurodollars, with the June contract finishing slightly higher on the day. Despite the success of the Treasury auctions, trading was nervous on rumours that the paper was not in secure hands, and was already offered for sale.

June gilts and short sterling deposits opened strong, encouraged by sterling, but fell after the cut in London bank base rates. After a peak of 107-11 gilts for June delivery closed near the day's low at 106-19, with little anticipation of any further reduction in base rates in the near future.

### LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 90.11 | 90.12 | 89.93 | 89.94 |
| Sept | 89.48 | 89.48 | 89.32 | 89.30 |
| Dec | 89.04 | 89.05 | 88.88 | 88.88 |
| March | 88.74 | 88.74 | 88.57 | 88.57 |
| June | 88.50 | — | — | 88.33 |

Estimated volume 7,038 (502)
Previous day's open int 15,804 (15,713)

THREE-MONTH STERLING
£500,000 points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 88.38 | 88.63 | 88.35 | 88.46 |
| Sept | 88.89 | 89.18 | 88.97 | 89.07 |
| Dec | 89.05 | 89.18 | 89.05 | 89.09 |
| March | 88.89 | 89.03 | 88.99 | 88.98 |
| June | 88.99 | — | — | 88.98 |

Estimated volume 2,385 (2,281)
Previous day's open int 5,667 (5,502)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 106-19 | 107-11 | 106-18 | 106-27 |
| Sept | 110-17 | — | — | 110-25 |
| Dec | 110-19 | — | — | 110-27 |
| March | 110-08 | — | — | 110-16 |

Estimated volume 4,632 (2,926)
Previous day's open int 2,909 (3,283)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) n.a.

STERLING £25,000 $ per £

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 1.2140 | 1.2370 | 1.1990 | 1.2145 |
| Sept | 1.2095 | 1.2300 | 1.2022 | 1.2105 |
| Dec | 1.2085 | 1.2300 | 1.2085 | 1.2095 |

Estimated volume 1,028 (354)
Previous day's open int 6,740 (6,824)

DEUTSCHE MARKS
DM 125,000 $ per DM

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.3217 | 0.3242 | 0.3201 | 0.3201 |
| Sept | 0.3247 | 0.3262 | 0.3247 | 0.3231 |

Estimated volume 175 (109)
Previous day's open int 325 (334)

SWISS FRANCS
SwFr 125,000 $ per SwFr

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.3800 | — | — | 0.3774 |

Estimated volume nil (4)
Previous day's open int 157 (157)

JAPANESE YEN
Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.3976 | 0.3988 | 0.3970 | 0.3978 |
| Sept | 0.4010 | 0.4017 | 0.4010 | 0.4012 |

Estimated volume 9 (11)
Previous day's open int 370 (359)

FT-SE 100 INDEX
£25 per full index point

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 128.70 | 128.80 | 128.45 | 128.70 |
| June | 128.80 | 128.80 | 128.30 | 128.70 |
| Sept | 129.30 | — | — | 129.20 |

Estimated volume 382 (269)
Previous day's open int 1,548 (1,540)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 68-29 | 68-31 | 68-14 | 68-25 |
| Sept | 68-02 | — | — | 67-28 |

Estimated volume 1,274 (1,800)
Previous day's open int 2,984 (2,852)

### CHICAGO

U.S. TREASURY BILLS (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 91.23 | 91.25 | 91.13 | 91.22 |
| Sept | 90.70 | 90.74 | 90.63 | 90.70 |
| Dec | 90.35 | 90.36 | 90.29 | 90.35 |
| March | 90.08 | 90.08 | 90.01 | 90.08 |
| June | 89.90 | 89.90 | 89.83 | 89.90 |
| Sept | 89.72 | 89.72 | 89.68 | 89.73 |
| Dec | 89.55 | 89.55 | 89.49 | 89.56 |
| March | 89.38 | — | 89.38 | 89.40 |

CERT DEPOSIT (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | 91.23 | 91.23 | 91.15 | 91.24 |
| June | 90.49 | 90.51 | 90.34 | 90.44 |
| Sept | 89.82 | 89.82 | 89.69 | 89.79 |
| Dec | 89.36 | 89.37 | 89.23 | 89.34 |

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 90.06 | 90.10 | 89.84 | 90.04 |
| Sept | 89.41 | 89.45 | 89.29 | 89.39 |
| Dec | 88.99 | 89.02 | 88.88 | 88.96 |
| March | 88.68 | 88.68 | 88.58 | 88.65 |
| June | 88.42 | 88.43 | 88.33 | 88.41 |
| Sept | 88.20 | 88.20 | 88.13 | 88.18 |
| Dec | — | — | — | — |
| March | 87.81 | 87.81 | 87.76 | 87.80 |

STERLING (IMM) $s per £

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 1.2185 | 1.2200 | 1.1985 | 1.2245 |
| Sept | 1.2130 | 1.2140 | 1.1920 | 1.2200 |
| Dec | 1.2125 | 1.2140 | 1.1920 | 1.2196 |
| March | 1.2080 | 1.2080 | 1.1930 | 1.2196 |
| June | — | — | — | 1.2505 |

GNMA (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 68-22 | 68-22 | 68-16 | 68-21 |
| Sept | — | — | — | 67-31 |
| Dec | — | — | — | 67-11 |
| March | — | — | — | — |
| June | — | — | — | 66-10 |
| Sept | — | — | — | 65-27 |

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 68-28 | 68-30 | 68-14 | 68-24 |
| Sept | 68-01 | 68-02 | 67-19 | 67-29 |
| Dec | 67-10 | 67-10 | 66-28 | 67-05 |
| March | 66-19 | 66-19 | 66-06 | 66-16 |
| June | 66-00 | 66-00 | 65-23 | 65-29 |
| Sept | 65-15 | 65-15 | 65-01 | 65-12 |
| Dec | 64-31 | 64-31 | 64-29 | 64-28 |
| March | — | — | — | 64-14 |
| June | 64-04 | 64-04 | 64-00 | 64-01 |
| Sept | — | — | — | — |
| Dec | — | — | — | 63-12 |

## MONEY MARKETS

# NatWest leads base rate cut

National Westminster Bank cut its base rate by ½ per cent to 13 per cent, in a move quickly followed by Lloyds Bank, and then by the Bank of England in its money market intervention rates. The strength of sterling, touching $1.2475 in early trading, encouraged an earlier reduction in base rates than had been expected, but interbank rates finished little changed on the day after an initial fall. Three-month money was quoted at 13⅛-13⅜ per cent, compared with 13 5/16-13 7/16 per cent. Bills rates eased a little further, with discount houses offering 12 7/16 per cent for three-month bank bills, against 12⅝-12 21/32 per cent.

**UK clearing banks base lending rate 13-13½ per cent since March 29**

The Bank of England forecast a money market shortage of £600m in the morning, but revised this to £750m before lunch, and to £800m in the afternoon. Total help provided during the day was £882m. Initially the discount houses were reluctant to sell high yielding bills outright to the authorities, because the cost of money was declining as sterling held firm above $1.20 on the foreign exchanges. The Bank of England offered an early round of assistance, but found the houses unwilling sellers of bills at official dealing rates.

After National Westminster Bank led another clearing bank base rate cut, the authorities also trimmed ½ per cent off dealing rates, and before lunch bought £593m bills outright, by way of £87m bank bills in band 1 (up to 14 days maturity) at 12⅞ per cent; £210m bank bills in band 2 (15-33 days) at 12¾ per cent; £188m bank bills in band 3 (34-63 days) at 12⅝ per cent; and £108m bank bills in band 4 (64-91 days) at 12½ per cent.

In the afternoon another £79m bills were purchased outright, through £41m bank bills in band 2 at 12¾ per cent; £37m bank bills in band 3 at 12⅝ per cent; and £1m bank bills in band 4 at 12½ per cent. Late assistance of around £210m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £1,009m, with the unwinding of repurchase agreements absorbing £81m, a rise in the note circulation £50m, and bank balances below target £10m. These were partly offset by Exchequer transactions adding £535m to liquidity.

### MONEY RATES

| March 28 | Frankfurt | Paris | Zurich | Amst'dam | Tokyo | Milan | Brussels | Dublin |
|---|---|---|---|---|---|---|---|---|
| Overnight | 5.90-6.00 | 10 11/16 | 1⅞-2⅛ | 5½-5⅝ | 6.53125 | 15½-15⅞ | 10.85 | 14-14¼ |
| One month | 6.00-6.15 | 10⅝-10¾ | 5 7/16-5 11/16 | 6 7/16-6 11/16 | 6.34375 | 15⅛-15½ | 10⅜-10⅝ | 14⅛-14⅜ |
| Two months | 6.10-6.25 | 10⅝-10¾ | — | — | — | — | — | 14-14¼ |
| Three months | 6.20-6.35 | 10⅝-10¾ | 5⅝-5¾ | 6 11/16-7 1/16 | 6.34375 | 15⅜-15¾ | 10⅛-10⅝ | 13⅞-14⅛ |
| Six months | 6.25-6.40 | 10 11/16-10 13/16 | — | 7-7⅛ | — | — | 10⅛-10¾ | 13¾-14 |
| Lombard | 6.0 | — | — | — | — | — | — | — |
| Intervention | — | 10⅛ | — | 6⅞ | — | — | — | — |

### LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

| Mar. 28 1985 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 12-14½ | 13⅞-14¼ | 13-14½ | 12-14 | — | — | — | — | — |
| 2 days notice | — | — | 14¼-14⅝ | — | — | — | — | — | — | — |
| 7 days or... | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 13¾-14⅛ | 14¼-14⅛ | 14¼-14½ | 13-13¾ | — | — | — | — | — |
| One month | 13⅝-13½ | 13½-13 13/16 | 13¾ | 13⅞-14 | 13 | 12⅞ | 12 13/16 | 12 13/16 | 12 25/32 | 13 3/16 |
| Two months | 13¼-13⅛ | 13¼-13 1/16 | 13⅝ | 13¾ | 12¾ | 12¾ | 12⅝ | 12 11/16 | 12⅝ | 13 1/16 |
| Three months | 13⅛-13 | 13-13⅝ | 13¼ | 13⅝ | 12½ | 12 11/16 | 12½ | 12 9/16 | 12½ | 13 1/16 |
| Six months | 12⅝-12¼ | 12 9/16-12½ | 12⅝ | — | — | — | — | 11¾ | 11⅝ | 12⅝ |
| Nine months | 12 5/16-12 3/16 | 11 13/16-12⅛ | — | — | — | — | — | — | — | — |
| One year | 12 1/16-11 15/16 | 11⅞-12¼ | 12⅛ | — | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Cert of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 14⅛-14 | — | 13⅞ | 8.65-8.75 | 8 7/16-8 11/16 | 10 1/16-10 3/16 |
| Two months | 14⅛-13⅝ | — | 13⅝ | 8.85-8.95 | 8 9/16-8 11/16 | 10 1/16-10 3/16 |
| Three months | 13¼-13⅛ | — | 13¼ | 9.0-9.1 | 8 11/16-8 13/16 | 10⅛-10¼ |
| Six months | 12⅞-12½ | — | 12½ | 9.4-9.5 | 9-9¼ | 10⅛-10¼ |
| Nine months | 12¾-12⅝ | — | 12¼ | 9.8-9.9 | — | — |
| One year | 12⅝-12¼ | — | 12¼ | 10.2-10.3 | 9 7/16-9 11/16 | 10¼-10⅝ |
| Two years | — | 12 | — | — | — | — |
| Three years | — | 11¾ | — | — | — | — |
| Four years | — | 11¾ | — | — | — | — |
| Five years | — | 11⅝ | — | — | — | — |

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period February 6 to March 5 1985 (inclusive): 13.883 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from March 1 1985. London and Scottish Clearing Bank Rates for lending 13-13½ per cent. London Deposit Rates for sums at seven days' notice 10½-10⅝ per cent. Treasury Bills: Average tender rates of discount 12.3585 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13½ per cent; one-three months 13½ per cent; three-six months 13 per cent; six-nine months 12½ per cent; nine-12 months 12½ per cent. Under £100,000 11½ per cent from March 28. Deposits held under Series 5 12½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

(11.00 a.m. March 28)

Three months U.S. dollars

| | |
|---|---|
| bid 9 1/16 | offer 9 3/16 |

Six months U.S. dollars

| | |
|---|---|
| bid 9 5/8 | offer 9 3/4 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

NEW YORK (Lunchtime)

| | |
|---|---|
| Prime rate | 10½ |
| Broker loan rate | 9¾ |
| Fed funds | 8⅞ |
| Fed funds at intervention | 8⅞ |

Treasury Bills

| | |
|---|---|
| One month | 7.65 |
| Two month | 8.20 |
| Three month | 8.17 |
| Six month | 8.58 |
| One year | 8.82 |

Treasury Bonds

| | |
|---|---|
| Two year | 100 23/32 |
| Three year | 98 13/16 |
| Four year | 100 9/32 |
| Five year | 99 23/32 |
| Seven year | 100 13/16 |
| 10 year | 96 25/32 |
| 30 year | 96 |

# $ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, March 27, 1985. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of March 27 at 11.00 a.m.
3 months: 9 1/16 6 months: 9¾

ECU=$US.706744 SDR1=$US.982056
Sibor as of March 27 at 11.00 a.m.
3 month: 9 1/16 6 months: 9¾

| COUNTRY | CURRENCY | VALUE OF DOLLAR |
|---|---|---|
| Afghanistan | Afghani (o) | 50.60 |
| Albania | Lek | 8.3665 |
| Algeria | Dinar | 5.182 |
| Andorra | Fr. Franc | 9.674 |
| | Sp. Peseta | 175.55 |
| Angola | Kwanza | 29.918 |
| Antigua | E. Caribbean $ | 2.70 |
| Argentina | New Peso (o) | 330.57 |
| Australia | Dollar | 1.4144 |
| Austria | Schilling | 22.32 |
| Azores | Port. Escudo | 178.00 |
| Bahamas | Dollar | 1.00 |
| Bahrain | Dinar | 0.3769 |
| Balearic Is | Sp. Peseta | 175.55 |
| Bangladesh | Taka | 26.50 |
| Barbados | Dollar | 2.0113 |
| Belgium | Franc (c) | 63.615 |
| | Franc (f) | 64.01 |
| Belize | Dollar | 2.00 |
| Benin | C.F.A. Franc | 483.70 |
| Bermuda | Dollar | 1.00 |
| Bhutan | Ind. Rupee | 12.58 |
| Bolivia | Peso (7) | 45,000 |
| | Peso (f) | 200,000 |
| Botswana | Pula (9) | 1.6821 |
| Brazil | Cruzeiro (o) | 4180.80 |
| Brunei | Dollar | 2.234 |
| Bulgaria | Lev | 1.058 |
| Burkina Faso | C.F.A. Franc | 483.70 |
| Burma | Kyat | 8.664 |
| Burundi | Franc | 124.941 |
| Cameroun Rp | C.F.A. Franc | 483.70 |
| Canada | Dollar | 1.3692 |
| Canary Is | Sp. Peseta | 175.55 |
| Cape Verde Is | Escudo | 84.2598 |
| Cayman Is | Dollar | 0.835 |
| Cen. Africa Rep | C.F.A. Franc | 483.70 |
| Chad | C.F.A. Franc | 483.70 |
| Chile | Peso (o) (3) | 146.22 |
| China | Renminbi Yuan | 2.8256 |
| Colombia | Peso (o) | 125.27 |
| Comoros | C.F.A. Franc | 483.70 |
| Congo Ppls Rep. of | C.F.A. Franc | 483.70 |
| Costa Rica | Colon | 48.85 |
| Cuba | Peso | 0.9093 |
| Cyprus | Pound* | 1.5165 |
| Czechoslovakia | Koruna (o) | 7.05 |
| Denmark | Krone | 11.315 |
| Djibouti Rp. of | Franc | 167.118 |
| Dominica | E. Caribbean $ | 2.70 |
| Domin. Rep. | Peso | 1.00 |
| | Peso (d) | 3.34 |
| Ecuador | Sucre (o,c) | 67.18 |
| | Sucre (d) | 120.35 |
| | Sucre (f) | 95.75 |
| Egypt | Pound | 0.83 |
| | Pound (d) | 1.25 |
| El Salvador | Colon | 2.50 |
| | Colon (d) | 5.00 |
| Eq'tl Guinea | C.F.A. Franc (4) | 483.70 |
| Ethiopia | Birr (o) | 1.9757 |
| Faeroe Is | Dan. Krone | 11.315 |
| Falkland Is | Pound* | 1.2072 |
| Fiji | Dollar | 1.1854 |
| Finland | Markka | 6.5715 |
| France | Franc | 9.674 |
| Fr. C'ty in Af | C.F.A. Franc | 483.70 |
| Fr. Guiana | Franc | 9.674 |
| Fr. Pac. Is | C.F.P. Franc | 175.891 |
| Gabon | C.F.A. Franc | 483.70 |
| Gambia | Dalasi | 4.1418 |
| Germany (E) | Ostmark (o) | 3.16 |
| Germany (W) | Mark | 3.16 |
| Ghana | Cedi (8) | 50.00 |
| Gibraltar | Pound* | 1.2072 |
| Greece | Drachma | 137.00 |
| Greenland | Dan. Krone | 11.315 |
| Grenada | E. Caribbean $ | 2.70 |
| Guadaloupe | Franc | 9.674 |
| Guam | U.S. $ | 1.00 |
| Guatemala | Quetzal (o) | 1.00 |
| | Quetzal (h, i) | 2.01 |
| Guinea Bissau | Peso | 85.5898 |
| Guinea Rep | Syli | 25.1364 |
| Guyana | Dollar | 4.12 |
| Haiti | Gourde | 5.00 |
| Honduras Rep. | Lempira | 2.00 |
| | Lempira (d) | 2.55 |
| Hong Kong | Dollar | 7.801 |
| Hungary | Forint | 52.725 |
| Iceland | Krona | 40.85 |
| India | Rupee | 12.58 |
| Indonesia | Rupiah | 1105.00 |
| Iran | Rial (o) | 95.9865 |
| Iraq | Dinar | 0.3109 |
| Irish Rep | Punt* | 0.9875 |
| Israel | Shekel | 843.34 |
| Italy | Lira | 2014.00 |
| Ivory Coast | C.F.A. Franc | 483.70 |
| Jamaica | Dollar (o) (5) | 5.35 |
| Japan | Yen | 253.20 |
| Jordan | Dinar | 0.3948 |
| Kampuchea | Riel | n.a. |
| Kenya | Shilling | 15.057 |
| Kiribati | Aust. Dollar | 1.4144 |
| Korea (Nth) | Won | 0.94 |
| Korea (Sth) | Won | 851.80 |
| Kuwait | Dinar | 0.3033 |
| Lao P'pls D. Rep | Kip | 35.00 |
| Lebanon | Pound | 17.50 |
| Lesotho | Maloti | 1.9176 |
| Liberia | Dollar | 1.00 |
| Libya | Dinar | 0.2961 |
| Liechtenst'n | Sw. Franc | 2.6775 |
| Luxembourg | Lux. Franc | 63.615 |
| Macao | Pataca | 8.1092 |
| Madagascar D. R. | Franc | 664.797 |
| Madeira | Port. Escudo | 178.00 |
| Malawi | Kwacha | 1.5768 |
| Malaysia | Ringgit | 2.548 |
| Maldive Is | Rufiyaa (o) | 3.93 |
| | Rufiyaa (m) | 7.05 |
| Mali Rp | C.F.A. Franc | 483.70 |
| Malta | Lira* | 2.0515 |
| Martinique | Franc | 9.674 |
| Mauritania | Ouguiya | 67.16 |
| Mauritius | Rupee | 15.60 |
| Mexico | Peso (d) | 225.85 |
| | Peso (e) | 207.85 |
| Miquelon | Fr. Franc | 9.674 |
| Monaco | Fr. Franc | 9.674 |
| Mongolia | Tugrik (o) | 3.3555 |
| Montserrat | E. Caribbean $ | 2.70 |
| Morocco | Dirham | 9.75 |
| Mozambique | Metica | 44.215 |
| Namibia | S.A. Rand | 1.9176 |
| Nauru Is | Aust. Dollar | 1.4144 |
| Nepal | Rupee | 19.00 |
| Netherlands | Guilder | 3.5765 |
| Neth Ant'les | Guilder | 1.90 |
| New Zealand | Dollar | 2.1753 |
| Nicaragua | Cordoba | 10.00 |
| | Cordoba (d) | 550.00 |
| Niger Rp | C.F.A Franc | 483.70 |
| Nigeria | Naira | 0.6817 |
| Norway | Krone | 9.085 |
| Oman Sultanate fo | Rial | 0.3456 |
| Pakistan | Rupee | 15.9078 |
| Panama | Balboa | 1.00 |
| Papua N.G. | Kina | 1.0126 |
| Paraguay | Guarani (o.c.) | 240.00 |
| | Guarani (d) | 444.00 |
| Peru | Sol (o) | 8141.31 |
| Philippines | Peso | 18.43 |
| Pitcairn Is | N.Z. Dollar | 2.1753 |
| Poland | Zloty (O) (5) | 141.41 |
| Portugal | Escudo | 178.00 |
| Puerto Rico | U.S. $ | 1.00 |
| Qatar | Riyal | 3.641 |
| Reunion, Ile de la | Fr. Franc | 9.674 |
| Romania | Leu (o) | 4.74 |
| Rwanda | Franc | 104.587 |
| St. Christopher | E. Caribbean $ | 2.70 |
| St. Helena | Pound* | 1.2072 |
| St. Lucia | E. Caribbean $ | 2.70 |
| St. Pierre | Fr. Franc | 9.674 |
| St. Vincent | E. Caribbean $ | 2.70 |
| Samoa (Western) | Tala | 2.207 |
| Samoa (Am.) | U.S. $ | 1.00 |
| San Marino | It. Lira | 2014.00 |
| Sao Tome & Principe DR | Dobra | 46.0758 |
| Saudi Arabia | Riyal | 3.61 |
| Senegal | C.F.A. Franc | 483.70 |
| Seychelles | Rupee | 7.3667 |
| Sierra Leone | Leone (2) | 6.00 |
| Singapore | Dollar | 2.234 |
| Solomon Is | Dollar | 1.3987 |
| Somali Rep | Shilling (6) | 36.60 |
| South Africa | Rand | 1.9176 |
| Spain | Peseta | 175.55 |
| Span Ports in N. Africa | Sp. Peseta | 175.55 |
| Sri Lanka | Rupee | 26.90 |
| Sudan Rep | Pound (10) | 2.50 |
| Surinam | Guilder | 1.785 |
| Swaziland | Lilangeni | 1.9176 |
| Sweden | Krona | 9.10 |
| Switzerland | Franc | 2.6775 |
| Syria | Pound (o) | 3.925 |
| Taiwan | Dollar (o) | 39.61 |
| Tanzania | Shilling | 18.00 |
| Thailand | Baht | 27.94 |
| Togo Rep | C.F.A. Franc | 483.70 |
| Tonga Is | Pa'anga | 1.4144 |
| Trinidad & Tobago | Dollar | 2.409 |
| Tunisia | Dinar | 0.8953 |
| Turkey | Lira | 495.82 |
| Turks & Caicos | U.S. $ | 1.00 |
| Tuvalu | Aust. Dollar | 1.4144 |
| Uganda | Shilling | 546.36 |
| United Arab Emir. | Dirham | 3.673 |
| Utd. Kingdom | Pound Sterling* | 1.2072 |
| Uruguay | Peso (m) | 93.38 |
| USSR | Rouble | 0.908 |
| Vanuatu | Vatu | 103.438 |
| Vatican | Lira | 2014.00 |
| Venezuela | Bolivar (g) | 7.50 |
| | Bolivar (g) (1) | 4.30 |
| | Bolivar (o) | 12.59 |
| | Bolivar (d) | 13.12 |
| Vietnam | Dong (o) | 10.5685 |
| Virgin Is. British | U.S. $ | 1.00 |
| Virgin Is. U.S. | U.S. $ | 1.00 |
| Yemen | Rial | 6.75 |
| Yemen PDR | Dinar | 0.3425 |
| Yugoslavia | Dinar | 252.48 |
| Zaire Rep. | Zaire | 41.4304 |
| Zambia | Kwacha | 2.5148 |
| Zimbabwe | Dollar | 1.568 |

n.a. Not available. (m) Market rate * U.S. dollars per National Currency unit. (a) Freemarket central bank. (o) Official rate (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non essenual imports. (i) Floating tourist rate (1) Venezuela: For debts incurred prior to February 1983. (2) Sierra Leone: Feb 22. Official devaluation of 58.33%. (3) Chile: February 26. Peso devalued by 9%. (4) Equatorial Guinea: December 31, currency joins Franc zone. (5) Jamaica: November 8. Rate adjustment fixed by Central Bank bi-weekly auction. (6) Somalia: January 8, official devaluation of 29%. (7) Bolivia: February 9, official devaluation of approximately 81%. (8) Ghana: December 3, Cedi devalued from 38.5 to 50. (9) Botswana: January 11, Pula devalued approximately 15% (10) Sudan: February 11, Official devaluation of approximately 48%. For further information please contact your local branch of the Bank of America.



## Company Notices

**Grindlays Eurofinance B.V.**
**U.S. $100,000,000**
**Guaranteed Floating Rate Notes 1992**
*Guaranteed on a subordinated basis by*

**Grindlays Bank p.l.c.**

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period 29th March, 1985 to 30th September, 1985 the Notes will bear interest at the rate of 10 1/16% per annum. The Coupon Amount per U.S. $100,000 Note will be U.S. $5,171.01 and the Coupon Amount per U.S. $10,000 Note will be U.S. $517.10.
The Interest Payment Date will be 30th September, 1985.

Agent Bank
Samuel Montagu & Co. Limited

## Personal



## Legal Notice

DAVIES & METCALFE plc

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company will be closed from 17th April, 1985 to 19th April, 1985, both dates inclusive.
By Order of the Board
R. ALLEN
Secretary
Injector Works,
Romiley,
Cheshire.

## Holidays & Travel

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 28.

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Amer Credit 12⅝ 88 | 150 | 101⅜ | 101⅞ | −0⅛ | 0 | 11.97 |
| Austria Rep 13⅝ 92 | 100 | 105½ | 106 | −0⅛ | −0⅛ | 12.35 |
| Bank Of Tokyo 12⅝ 92 | 100 | 99½ | 100 | +0⅛ | +0⅝ | 12.66 |
| Bank of Tokyo 13⅝ 91 | 100 | 104¼ | 104¾ | −0⅛ | 0 | 12.51 |
| BP Capital 11⅛ 92 | 150 | 94½ | 95 | 0 | +0⅝ | 12.28 |
| Cassa Naz Tele 13¾ 91 | 100 | 105 | 105½ | +0⅛ | +0⅝ | 12.45 |
| Canadian Pac 12½ 99 | 75 | 101¾ | 102¼ | +0⅛ | +0¾ | 12.17 |
| CBS Inc 11⅜ 92 | 100 | 95¾ | 96¼ | 0 | +1½ | 12.18 |
| Chevron U.S.A. 12¼ 89 | 600 | 99⅞ | 100⅜ | −0⅛ | −0⅛ | 12.16 |
| Creditanstalt 13⅛ 91 | 100 | 101⅝ | 102⅛ | 0 | +0¼ | 12.64 |
| Denmark Kingdom 11½ 92 | 100 | 95¼ | 95¾ | +0⅛ | +0⅜ | 12.50 |
| Denmark Kingdom 13 91 | 100 | 101⅞ | 102⅜ | 0 | +0¼ | 12.46 |
| Denmark Kingdom 13¼ 91 | 100 | 102½ | 103 | 0 | +1¼ | 12.58 |

| U.S. DOLLAR STRAIGHTS (continued) | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Weyerhaeuser 12¼ 87 | 150 | 100¾ | 101¼ | 0 | +0¼ | 11.69 |
| World Bank 12¼ 94 | 150 | 100 | 100½ | 0 | +0⅞ | 12.18 |
| World Bank 12⅞ 94 | 200 | 102¾ | 103¼ | +0¼ | +0¾ | 12.29 |

Average price change On day 0 on week +0¼

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Asian Dev Bank 8 94 | 200 | † 100⅞ | 101⅜ | +0⅝ | +0½ | 7.82 |
| Austria Republic 7⅝ 94 | 200 | † 100 | 100½ | +0½ | +0¾ | 7.58 |
| Baxter Travenol 7¼ 94 | 200 | † 98⅜ | 98⅞ | +0⅜ | +0½ | 7.46 |
| Credit National 8⅛ 94 | 200 | † 101¾ | 102¼ | +0½ | +1 | 7.80 |
| Degussa Int Fin 7½ 94 | 100 | † 100¾ | 101¼ | +0¾ | +0⅞ | 7.34 |
| E.E.C. 8 92 | 200 | † 101¾ | 102¼ | +0½ | +0½ | 7.61 |
| Escom 8 92 | 150 | † 100 | 100½ | +1⅛ | +0⅝ | 7.96 |

# OVER-THE-COUNTER

Continued from Page 36

# Indices

NEW YORK–DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

New York Active Stocks

TORONTO

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| SWITZERLAND Swiss BankCpn.(31/12.58) | 419.0 | 472.5 | 424.4 | 426.9 | 450.8 (19/6/85) | 354.5 (25.7) |
| WORLD Capital Intl. (1.1.70) | — | 202.5 | 200.1 | 199.7 | 202.5 (27/3/85) | 183.2 (14.12) |

** Saturday March 23: Japan Nikkei-Dow 12,537.9. TSE 1,006.72.

Base value of all indices are 100 except Australian All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

# CAPITAL MARKETS

## Strong demand for Redland's £60m zero-coupon issue

BY MAGGIE URRY IN LONDON

THE launch of the first Eurosterling zero-coupon bond issue by Redland, the UK building materials group, was the main point of interest in the Eurobond market yesterday. The issue, which has a face value of £60m and a seven-year life, sold well, with good retail demand appearing from the UK as well as overseas.

Issue price is 48, with fees totalling 1¼ points, and with denominations of £1,000 and £5,000, the bonds appeal even to smaller retail buyers. The issue, led by Morgan Stanley with Morgan Grenfell running the books, gives Redland funds at around 60 basis points below UK gilt yields.

British tax rules, however, allow investors to defer tax liability until disposal or maturity. As the final maturity, on April 25 1992, is at the start of the tax year, UK investors can defer their liability even further to the end of the tax period, improving their return.

Meanwhile, Salomon Brothers again tested the state of the fixed-rate Eurodollar bond market, bringing a $75m, five-year issue for General Foods. The coupon is 11½ per cent and issue price 99¾. The name should appeal to Swiss investors, if anything will, while the dollar is falling.

A more stable currency yesterday allowed Eurodollar straight bonds to recover following a firmer New York market, too. Prices were up by ¼ to ½ point.

Bankers Trust launched a plain-style floater for Banco Central, the largest Spanish bank. That $150m deal has a 15-year life with a put option after 12 years. The coupon will be 10 basis points above six-month London interbank offered rate (Libor) and front end fees total 50 basis points. The bonds were trading comfortably within that level at 99.65 bid.

A $100m floater for the Export-Import Bank of Korea was launched by Chase Manhattan (Asia). That 10-year issue pays ⅛ per cent over six-month Libor and fees are 1⅛ per cent. The issue was regarded as a quasi-syndicated loan and did not trade actively in Europe.

| BHF Bank bond average | | |
|---|---|---|
| March 28 100.960 | | Previous 100.947 |
| High 103.042 | 1984/85 | Low 98.056 |

The Canadian dollar Eurobond market has been very firm lately, and Yamaichi International launched a C$70m issue for Nippon Kokan (NKK), the steel company. The terms looked on the tight side – a 11⅞ per cent coupon and 100½ issue price for the seven-year issue – and the bonds are likely to be placed in the Far East. NKK will swap the proceeds into fixed-rate yen.

The Euroyen market has also benefited from the weaker dollar, and IBJ International brought a Y15bn issue to the market for Finland. The five-year issue has a 6¾ per cent coupon and par issue price, which again looked a little tight. The bonds were quoted at 98¾, inside the 1⅞ per cent gross fees.

In the Samurai market, the African Development Bank launched its first issue, led by Nomura Securities. It is for Y15bn with a 12-year final maturity, a 7.4 per cent coupon and 99.90 issue price.

In the European currency unit market, Seiyu Stores was the first Japanese borrower to launch an issue directly from Japan. The Ecu 30m, 5½-year issue was led by Banque Paribas. The coupon is 9¾ per cent and issue price 100½.

In the Swiss franc foreign bond market, trading improved a fraction and prices gained around ¼ point. The surge in the Tokyo stock market boosted demand for Japanese convertible issues. The SwFr 100m fixed-rate issue for EdF started trading yesterday at 99, compared to the issue price of 99¾. The 5⅞ per cent coupon had been regarded as a little too low as investors are still looking for 6 per cent coupons. The 6 per cent World Bank issue added ½ point yesterday to 100½.

Demand was good for D-Mark foreign bonds yesterday, helped by the weaker dollar, and prices gained up to ½ point in places.

## $75m credit for UK business finance group

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

INVESTORS in Industry, which finances small business in the UK, has arranged a $75m, seven-year standby Euronote facility through Merrill Lynch and S.G. Warburg.

Under the deal, Investors in Industry can issue short-term Euronotes with a maximum maturity of six months and a maximum yield of 10 basis points over the London interbank offered rate for Eurodollar deposits.

Underwriters will receive an annual fee of five basis points for the first five years rising to 6¼ points for the following two, but a novel feature is that the fee is doubled if the facility is actually drawn.

Separately, it carries a swingline option allowing immediate cash drawings, to match payment practives in the commercial paper market. These drawings bear interest at 10 basis points over three-day New York money market rates.

Meanwhile, Lloyds Bank International said yesterday it has been mandated by TAP, the Portuguese airline, to raise a £35m five-year facility allowing it to borrow in the acceptance market or through short-term bank advances. The maximum margin on advances is 35 basis points, as is the maximum commission on drawing in the bankers' acceptance market, and there is an annual facility fee of ¼ per cent.

WEEKLY U.S. BOND YIELDS (%)

| | Mar 27 | Mar 20 | 1985 High | 1985 Low |
|---|---|---|---|---|
| Composite Corp. AA | 12.42 | 12.48 | 14.23 | 11.93 |
| Government: | | | | |
| Long-term | 11.77 | 11.84 | 13.69 | 11.19 |
| Intermediate | 11.81 | 11.89 | 13.79 | 11.12 |
| Short-term | 10.66 | 10.92 | 13.22 | 10.03 |
| Municipal | 9.77 | 9.82 | 11.14 | 9.52 |
| Industrials AAA | 11.84 | 11.95 | 13.66 | 11.44 |
| Industrials AA | 12.34 | 12.42 | 14.13 | 11.88 |
| Utilities AA | 12.49 | 12.54 | 14.45 | 12.01 |
| Preferred Stocks | 10.95 | 11.01 | 12.17 | 10.77 |

Source: Standard & Poor's